



THE TIMES Tomorrow

It's always raining, the clubhouse is rotten and usually no more than five of the players turn up. Alan Franks, dropped from the team, watches from the sidelines of the Modern...

US orders Cubans to leave

Two members of Cuba's mission to the United Nations were ordered to leave the United States after being accused of 'hostile intelligence activities' in the New York area.

Benn's battles in three areas

Mr Wedgwood Benn's search for a new parliamentary seat will spread over three Bristol constituencies next month. After his expected flight in Bristol, South, he will face selection fights in Bristol, East, and Kingswood.

Papusoiu to go

Mr Stancu Papusoiu, the Romanian whose deportation from Britain last month led to widespread protests, has been ordered to leave Austria.

No appeal

The Court of Appeal refused leave for Paul Vickers, the surgeon who 'poisoned' his disabled and mentally ill wife, to appeal against his conviction in November, 1981, for murder.

Kremlin conflict

Reports circulating in Moscow that factional struggles are persisting in the Kremlin have been reinforced by the failure of Mr Konstantin Chernenko, secretary of the Communist Party's Central Committee, to attend a key Politburo meeting.

Fire verdict

A verdict of manslaughter was recorded on a brother-in-law of Mr Michael Foot, Mr James Cochrane-Haighet, aged 74, who died after a fire at his Devon farmhouse.

'Scrap BNO'

Esso has called for the abolition of the state-owned British National Oil Corporation and BP and Shell favour a review of its role as North Sea oil price-setter.

Petrol doubt

American experience suggested that many motorists would be unhappy with unindexed low-octane petrol, a leading supplier of lead additives said, announcing it would continue to oppose the proposed ban.

Aberdeen final

Aberdeen reached the final of the European Cup Winners' Cup in Geneva last month, despite losing 1-0 to Waterford in their semi-final second leg match in Belgium last night. Aberdeen won the first leg 5-1.

Special Reports today take a look at the world tea industry and report on the mood in Hongkong as Britain and China discuss the colony's future.

Leader page 15 Letters: On BL, from Mr G H B Cattell; Services and unemployment, from Mr K D Jamieson, and others. Leading articles: After the Beirut bomb; resumption of Madrid conference; TUC and Labour Party. Features, pages 12, 13, 14. Why servicemen should be allowed to sue; Bernard Levin makes a telephone prayer; no carve-up for the SDP. Wednesday page: the foxhunters who begged a Tory; keeping cancer in perspective. Ordinary, page 16. Mr Jamie Sepsters:

Table with 2 columns: Home News, Overseas, Arts, Business, Sport, Comment, Current Affairs, Diary. Includes sub-sections like Law Report, Property, TV & Radio, Weather.

British Steel cash 'to modernize' US mills

By Bailey Morris and Edward Townsend

British money would be used to modernize ageing American plants as part of a proposed joint venture with the British Steel Corporation. Congressional investigators were told by US Steel's chairman yesterday.

Mr David Roderick urged Congressmen to support the controversial venture which he said was in the vital interest of both companies.

"British Steel needs a market and can invest in a mill to ensure one US Steel needs capital - both up front and from joint venture profits - to modernize our steelmaking and finishing facilities at our plants across the country," Mr Roderick said.

He disclosed that the first \$400m (£256m) in profits earned from the proposed joint venture would be used to refurbish the 20-year-old Fairless steel works near Philadelphia, Pennsylvania.

In addition, part of the capital arranged by British Steel would be used to modernize other out-dated US Steel plants.

Last night BSC continued the silence it has so far maintained over the proposed deal. Despite considerable publicity in recent weeks, the corporation has not even admitted that it has been in discussion with US Steel.

At the end of last month, Mr Ian MacGregor, BSC chairman, said that premature leaks had jeopardized the chances of success of such a project and the BSC's competitors were 'waiting in the wings' to take over the deal.

The scheme could lead to up to half of the 4,000 workers at BSC's Ravenscraig steel plant in Lanarkshire losing their jobs and as many as 3,000 at Fairless. United Kingdom steel union leaders have opposed the deal but Mr MacGregor has told ministers that a drastic cutback at Ravenscraig is the only way to give it a chance of becoming profitable.

He wanted to close Ravenscraig but, last December, was ordered by the Government to keep open its steelmaking activity, a decision he estimates will add £100m to the corporation's annual costs.

Ministers have been encouraged by projections that the BSC could supply US Steel with £1,000m of unfinished steel from Ravenscraig in the next three years and would ensure the continuation of steelmaking at the Scottish plant for another five years at least.

Yesterday European Community sources disclosed that the proposed venture is being closely followed in Brussels, which is currently overseeing a massive restructuring of the European steel industry.

The British Government's plan has not yet been sent to the EEC, largely because of the incomplete proposed joint venture which could affect production significantly, the sources said.

The Congressmen, in response to pressure from American unions, had invited Mr Roderick to Washington to explain the company's plans. He told them that the only way to save the threatened Fairless steel works, which normally employs about 7,400, was to proceed with the joint venture.

The other two options - to continue operating the out-dated plant or to rebuild it at a cost of \$1,900m - were simply not viable.

The 'Famous Five' are reduced to three



Ousted: Anna Ford at home with her daughter Clare after being told of her dismissal.

Ford and Rippon swept out by new broom

By John Witherow

The "Famous Five" of TV-am's commercial breakfast television show became the "Famous Three" yesterday with the dismissal of two of the star presenters, Anna Ford and Angela Rippon. The move came a week after the appointment of Mr Timothy Aitken as chief executive and is seen as part of a determined bid to reverse the decline in ratings and confidence in the company.

Miss Ford was called into see Mr Aitken yesterday morning and was handed a letter stating she had been dismissed. "It said my contract had been terminated for a particular reason and I've given it to my solicitor to see what he says," Miss Ford said.

Miss Ford refused to give details, TV-am employees said the women were dismissed for talking to the press after the removal of Mr Peter Jay as chief executive. Both appeared outside the company's Camden Lock studios in north London carrying placards in support of Mr Jay.

Mr Michael Parkinson, who with his wife Mary, hosts the weekend Good Morning Britain show, said last night that Miss Ford and Miss Rippon had been "loosely and shabbily treated" and that he was reconsidering his own future with the company.

"I've been reconsidering my future ever since Peter Jay was sacked," he said. "It's not the company we put together and I think there were ways of handling the situation better. I'm very upset and bitter. The company we formed has gone. We lost. It's a question of..."

Minister off to Moscow to mend fences

By Henry Stanhope, Diplomatic Correspondent

Mr Malcolm Rifkind, Parliamentary Under-Secretary at the Foreign Office, will fly to Moscow on Sunday in a new move to improve relations between Britain and the Soviet Union after several years of increasing bitterness.

The announcement was made by the Foreign Office yesterday only four days after it had expelled the sixth Russian official in a many months, the latest in a series of tit-for-tat expulsions.

Mr Rifkind's visit is a different kind of tit-for-tat following that made to London in February by Mr Ryzhov, a deputy foreign minister in Moscow.

Although Mr Francis Pym, the Foreign Secretary, attended Mr Brezhnev's funeral last year - and Lord Carrington flew to Moscow the year before when Britain held the presidency of the European Council, this will be the first bilateral visit by a British minister since Dr David Owen went there in 1977.

The exchange of ministers is a signal that both governments are ready to discuss a range of bilateral issues - of which the row over expulsions is only one.

Sources were pointing out last night however that Britain wants only a "hard-headed, realistic dialogue". A constructive relationship must be associated with a new Soviet approach to international affairs.

Officially Mr Rifkind is going for "political consultations" with a number of officials, but mainly with Mr G. Kornienko, first deputy foreign minister. He will also visit Leningrad later in the week.

Maggie May or may not choose June

By Julian Haviland and Anthony Bevins

The Prime Minister last night continued her tantalizing tease about the timing of the next election, with a reference to the song Maggie May.

She told the annual dinner of the Confederation of British Industry, at the Hilton Hotel in London, that some people were talking of the end of the Parliament, "a little prematurely, I think."

"It reminds me of the old song 'Maggie May', 'Some say Maggie may, some say Maggie may not, but only say that when the time comes, I shall decide.'"

But Mrs Thatcher then added: "Right now, I am more concerned with the job in hand."

She also gave a measure of her own plans when she revealed that she would be looking for a young school-leaver to join the staff of 10 Downing Street under the Youth Training Scheme.

"I hope that he or she will receive a good grounding during the year with us. Perhaps one day, who knows, the training in No 10 will be of use in applying for my job, in the next century!"

Mrs Thatcher said the Government had laid the foundations for recovery with cuts in taxation; with a £2,000m reduction in the national insurance surcharge, and equally important reductions in personal taxes.

But she also stressed that there was another, unseen tax: inflation. "Yes, inflation is a tax, and a savage and capricious one which Government's in-

Rank Xerox to cut 1,100 more jobs

By Julian Haviland and Anthony Bevins

The Rank Xerox company has announced it will be axing a further 1,100 jobs from its plant in the Forest of Dean, Gloucestershire over the next two years. The company, which produces copying machines at the Mitcheldean factory, last month said 500 jobs would have to go by the end of June.

Yesterday's announcement followed speculation that the Gloucestershire plant would be closed completely but Mr Dick Holmes, the European director, who earlier met union representatives to tell them of the news, said this was not the case.

"Instead, the work force will be reduced from the present 2,700 to just over 1,000 by the end of 1984. It is a regrettable decision brought about by technical advancement and the need to remain competitive in a keen world market," he said.

"It is a disastrous blow to jobs in an area which already has a high unemployment level of 14 per cent."

Thousands of jobs are expected to disappear over the next four years in a radical reorganization of Central Electricity Generating Board management, it was disclosed yesterday. Those affected in the £5,000-strong industry are office staff and highly-qualified engineers and scientists. Under the proposed scheme, the board's regional headquarters at Bristol; Stockport; Greater Manchester; Harrogate, North Yorkshire; Solihull, West Midlands; and Bankside in London are to be wound down.

BL hope of deal by Friday

By Clifford Webb

There was guarded optimism on both sides last night that although hard bargaining still lay ahead, the three-week strike at BL's Cowley assembly plant could end on Friday, when the men hold their next mass meeting.

National officers of the two main unions involved met local officials and shop stewards yesterday to discuss the result of seven hours of talks on Monday between union leaders and management. Mr Harold Musgrove, chairman of Austin Rover, has said the company will not drop its plans to end early leaving, but offered to increase bonus earnings on the day the men accept "bell to bell" working. He set a deadline of May 16 for that to begin.

A mass meeting of 1,200 of the 5,000 on strike voted by a large majority yesterday to stay out while negotiations were taking place and to meet on Friday.

Cowley is one of the few plants remaining in Austin Rover which does not have Audited Plants Status (APS), a formula linking payments to international standards of efficiency. As a result, Cowley's bonus ceiling is only £18.75 a week compared with £30 at Longbridge.

One of the main obstacles to the introduction of APS at Cowley has been the tradition of leaving three minutes early, which the company says costs it 100 cars a week, worth £50m a year. APS would be introduced on May 16 if the men accepted the deal. The intention is to increase production of the new Maestro from 2,200 a week to 2,750.

The stewards would still like to see a direct lump sum "buy out" of early leaving. James Curran, page 14. Letters, page 15.

Death toll grows as rescuers comb Beirut wreckage

From Robert Fisk

Red Cross workers digging through the ruins of the American Embassy in Beirut broke through to the crushed cafeteria section of the building yesterday afternoon and found another five bodies embedded in the masonry, bringing the total number of dead in Monday's bombing to forty-seven - and with the prospect of even this grim figure moving far higher.

Cross thought it very unlikely that anyone would still be found alive.

The embassy was crowded with visitors and cleaning staff as well as diplomatic personnel when the bomb exploded at lunchtime, so neither the Americans nor the Lebanese police authorities know exactly how many people were in the building at the time - nor how many dead are still to be discovered.

In the hours after the assault on the embassy, diplomats from countries which are also contributing troops to the multinational peace keeping force in Beirut - including the British - have been trying to work out what might prevent the same fate befalling their own compounds.

British officials in Lebanon will not disclose what measures they are planning, although the

West Beirut, flanked by a small but busy roadway.

Although cars are not permitted to park outside the four-storey building, only one Lebanese policeman, with an automatic rifle, stands guard outside - he can scarcely offer much protection against the sort of determined men who slaughtered so many people just down the same road on Monday.

Mr Dillon was more forthcoming about them yesterday, saying that while he was still unsure of the facts, there were eyewitness reports that a large van filled with explosives forced its way into the forecourt of the Embassy, "two competent witnesses." He said, "saw a very heavily-loaded van force its way in. How it was detonated, I don't know."

Two Lebanese men have told the Beirut police authorities that they saw a man in a black leather jacket drive the van into the northern end of the embassy driveway, apparently detonating the explosives and killing himself at the same time, although the Americans have not yet subscribed to the theory that the killer was on a suicidal mission.

Don't worry about your HEARING!

Literally thousands of people who are not really deaf but who strain to hear clearly are using a new tiny clarifier with no strings or wires attached. It's specially designed to help with the problem of hearing clearly and sharply, and it's available from a company called Hidden Hearing who specialise in the world's latest hearing devices. Sheila Ingram, the Marketing Director of this company says "People with a slight hearing problem don't always need traditional hearing aids. Modern science has given most people the right to clear hearing in a completely inconspicuous form and the public should know about it." If you, like so many other people today, can hear sounds (sometimes only too well!), but have difficulty in understanding every word - particularly in crowds or group conversations, or when watching TV, you should telephone or fill in the coupon below.

Full details of the new clarifiers and a copy of a helpful book called "A Simple Way to Better Hearing" will be sent to you by return of post without cost or obligation.

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Form for Hidden Hearing Ltd. with fields for Name, Address, Tel. 01-485 2808, and a section for pensioners with a tick box and reference (T20)/4.

Fears over lost rural heritage

Concern at the impoverishment of the rural architectural heritage by the rapid disappearance of old barns, granaries and other traditional farm buildings is expressed in the annual report of the Historic Buildings Council for England, published yesterday.

If unlisted and outside conservation areas, most such structures are unprotected by law and ineligible for repair grants, it says. Thorough and up-to-date listing on a consistent basis is urgently needed to catch the buildings while they still survive.

It seems to be insufficiently understood or publicized that capital grants are available from the Ministry of Agriculture for agricultural improvements, which may involve the adaptation of old buildings, the report says. But it must be accepted that relatively few can now be used for their original purposes, and if they are to survive, an alternative use must be found.

Historic Buildings Council for England. Annual Report 1981-82 (Stationery Office, £5.10).

Firemen reject compromise

The executive of the Fire Brigades Union last night unanimously rejected a compromise aimed at averting a series of one-day strikes by firemen next week.

They will urge firemen to reject the Home Office proposal that a four per cent increase in pension contributions should be introduced in two phases. Regional voting on mandating delegates to a special union conference in London next week has been swinging heavily behind the strike call.

AA asks for 80 mph limit

The speed limit on Britain's motorways should be raised to 80 or 85 mph, the House of Commons Transport Committee was told by the Automobile Association last night.

The 70 mph limit is inappropriate and widely disregarded, the association said. In towns, national criteria should be adopted to stop local authorities imposing speed limits that drivers would be unlikely to respect.

Murder charge

Gerald Lee, aged 18, of High Street, Clydach Vale, was remanded in custody for a week yesterday at Ystrad Magistrates Court, South Wales, charged with murdering Miss Lesley Ann Thomas, aged 22, of Thomas Street, Tonypandy.

Grants inquiry

West Midlands County Council is to ask the police to investigate suspected abuses of grants to promote racial harmony.

The council had paid £80,000 to 115 ethnic groups. Auditors suggested that five cases should be investigated.

Correction

The circulation of *The Economist* (report, April 14) is 243,677.

Benn's search for a seat should be over next month

By Philip Webster, Political Reporter

Mr Wedgwood Benn's search for a new parliamentary seat is likely to be resolved by the weekend in May when Labour parties in the three Bristol constituencies on which he has a claim hold their selection meetings.

Supporters of Mr Michael Cocks, Labour's chief whip, are confident that he will beat off Mr Benn's challenge for the Bristol, South, nomination on Saturday, May 7.

The seat is Labour's safest in the city and under the boundaries redistribution it has been extended to include Knowle and Windmill Hill, parts of Mr Benn's existing South-East constituency, which is to disappear.

After his expected failure in Bristol, South, Mr Benn would face selection meetings on the following day in the constituencies of Bristol, East, and Kingswood. In both he is thought to have a good chance of winning the nomination, although the likelihood of his eventual election is obviously less strong than it would have been in South.

The contest for Bristol, East, would be held between Mr Benn and Mr Ronald Thomas, the former Labour MP for Bristol, North-West. It consists of many parts of his existing seat and Mr Benn would almost certainly have the nomination.

The dilemma for Mr Benn and his supporters is whether he would stand a greater chance of being returned to the Commons as the candidate for the third seat, Kingswood.

The contest there in the afternoon will be between the loser at Bristol, East, in the morning and Mr Terence Walker, the former MP for the seat. The constituency is held by the Conservatives but is likely to return to Labour after a big revision. The wealthier southern half has been transferred to the Wansdyke seat and four existing Bristol words have been added.

Two-tier AUEW may be unity compromise

From Barrie Clement, Labour Reporter

The Amalgamated Union of Engineering Workers, Britain's second largest union, is to make another attempt to form a strong united organization from the present loose federation of the one million membership.

Mr Terence Duffy, the union's president, may however, have to accept a two-tier white collar and blue collar structure - an arrangement which he has consistently opposed. But the annual conference of the main policy-making body of the union was told yesterday that it might be the only way to bring the union together after the abortive attempts of the past decade.

One of the difficulties facing amalgamation has been the reluctance of Mr Kenneth Gill,



Return of the horse that eclipsed all-comers

Eclipse, one of the most renowned names in turf history, whose direct descendants include at least eight out of every 10 racehorses in the world today, is about to make a return appearance at Newmarket, where his 20-length victories once gave rise to the saying "Eclipse first, the rest nowhere". Nicholas Colt writes.

through private donations at a cost of several hundred thousand pounds, is in the Victorian subscription rooms in Newmarket High Street, and will be Britain's first national museum devoted to the history of horseracing.

Bred by the Duke of Cumberland, he was subsequently recognized as a great stallion, siring the winners of some £160,000 in prize money.

Foundation of Turner gallery laid

By Christopher Warman Arts Correspondent

The foundation plaque for the Turner Gallery, which is to house and display the vast collection of the works of Turner next door to the Tate Gallery in London, was unveiled yesterday by Queen Elizabeth the Queen Mother, 132 years after the painter died and left them to the nation.

The £6m building, to be paid for by the Clow Foundation in memory of Sir Charles Clow, has been designed by Mr James Stirling and is due to open in the summer of 1985.

Turner specified in his bequest of 290 oils and 19,000 watercolours and drawings that they should all be housed and available for view together.

Court move to free wife of supergrass

From Richard Ford, Belfast

Sir John Hermon, the Chief Constable of the Royal Ulster Constabulary, has been ordered to appear before a High Court judge in Belfast today to answer why a writ of habeas corpus should not be issued for the release of Mrs Linda Quigley, who with her husband Robert, an alleged Provisional IRA "supergrass", has been in protective custody since last November.

In a similar application made last year by relatives of another IRA supergrass, Mrs Christopher Stirling and is due to open in the summer of 1985.

Turner specified in his bequest of 290 oils and 19,000 watercolours and drawings that they should all be housed and available for view together.

Her solicitor alleges she was not allowed to see her family, although the police say a meeting was arranged.

SDP out to beat crisis over homes

By Baron Phillips, Property Correspondent

A national housing bank aimed at encouraging institutional investment in social housing for rent, and a modification of the present mortgage tax relief system are at the heart of sweeping changes the Social Democratic Party would make to existing housing policies.

Launching the party's Green Paper *A Strategy for Housing*, Mr John Cartwright, SDP spokesman on local government, said yesterday: "Britain's housing problems are rapidly reaching new crisis levels, and the main blame lies with the policies pursued by the Government."

He added that the SDP would increase housing investment, offer greater freedom of choice to individuals, and introduce greater fairness to the distribution of public funds for housing.

It is anxious to tap for public housing the funds of the large institutions such as pension funds and insurance companies. Home owners could expect changes in the mortgage tax relief system to give greater benefits to people on low incomes.

Property, page 29

Science report

Virus link in toxic shock syndrome

By the Staff of Nature

The "toxic shock syndrome", which consists of a high fever, vomiting, diarrhoea, skin rash and reduced blood pressure, particularly in menstruating women, may not so much be due to infection by staphylococcal bacteria as to infection of the bacteria by a virus, according to scientists at New York's Rockefeller University.

The suggestion has been put forward by Dr John Zabriskie, Dr Vincent Fischetti and Dr Steven Schutzer, who have examined strains of *Staphylococcus aureus*, a bacterium known to be associated with toxic shock.

Strains were taken from toxic shock patients and from people without the condition. In 11 out of 12 toxic shock strains, the bacteria were infected by virus; but only one out of 18 non-toxic strains was infected.

Dr Schutzer and his colleagues point out that their suggestion is not altogether surprising because the symptoms of toxic shock syndrome resemble those of scarlet fever which are, in part, caused by a toxin released upon viral infection of a streptococcal bacterium.

Even if the Rockefeller group were not to proceed to test the hypothesis that staphylococcal bacteria can similarly release toxin, it would remain to be shown how important a factor that was in the many recent cases of toxic shock syndrome in menstruating women, for whom the use of tampons has been implicated as the main risk factor, though the syndrome has also been recorded in men and children.

Wisely, the Rockefeller team is not prepared to draw firm conclusions without further evidence. In particular it would like to show in animal experiments that *Staphylococcus aureus* causes toxic shock only when it is infected with virus. It will be difficult to do so because no species of animal is known to suffer from the condition.

The other plan is to identify the proposed toxin by comparative biochemical analysis of virally infected and uninfected bacteria. With luck, this approach could be successful within a few months. *Nature*, April 15 (vol 228, p 316) 1983.

Outline for a better Whitehall

By Peter Hennessy

Sir Frank Cooper, one of the most influential civil servants of recent years who retired as Permanent Secretary to the Ministry of Defence last December, unveiled last night a plan for the reform of Whitehall.

He called for an end to the "gentlemen-player" divide between those who make policy and those who carry it out. The culture of the higher Civil Service should be changed to reflect a strong management ethos.

Addressing the Royal Institute of Public Administration in London, Sir Frank said that his prescription included:

Graduate recruits into Whitehall should be required to gain a post-entry professional qualification. Senior administrators must be able to understand and use computers. A new grading structure, numbered from 1 to 20, should be introduced to replace existing hierarchies. The Defence Ministry alone had 900 grades.

Rules of delegation and accountability now satisfied the needs of a policy-making under-secretary with a small Whitehall staff. They should be changed to reflect the requirements of an under-secretary running Devonport Dockyard with a workforce of 13,000 and more than 30 ships in port.

Civil Service managers should have the scope to reward financially good performances and to penalize inadequate work.

More outsiders would be recruited on contract and fewer clericals placed in the way of those wishing to advance. Efficiency would be aided by a more flexible retirement policy. Civil servants should stay in their posts long enough to understand them, be accountable for the results and earn credibility with the outside world.

Ministers, from the Prime Minister managing their domains or the impetus for change would weaken.

Sir Frank added that for all the changes needed, the Civil Service remained an outstanding administrative machine to which he had been proud to serve.

OFFICE DES POSTES ET TELECOMMUNICATIONS DU MALI

International Notice of Invitation to Tender

SUBJECT: Main regional transmission line by radio relay system between KOUTIALA and SIKASSO. Rural telecommunication network in the zone controlled by the Office du Niger. Equipment and machinery for the tele exchange at BAMAKO. Supply of materials for the aerial-subterranean networks at BAMAKO and eight (8) other regional locations. Construction of civil engineering works (supply of materials and execution of works) for the aerial-subterranean telephone networks of BAMAKO and eight (8) other regional locations.

II FINANCING: The materials, equipment and works concerned are being financed within the framework of the TELECOM II project, partly under credit No. 1200-MLI of the International Development Association (IDA) and partly self-financed by the Office des Postes et Télécommunications du MALI.

III BIDS: The invitation to Tender is open to all accredited local companies and all companies from countries which are members of the World Bank group. The bids, submitted in the French language in six (6) copies, should be addressed to the Direction Générale de l'Office des Postes et Télécommunications du MALI, route de KOULOUBA.

IV DIVISION OF LOTS: The invitation to Tender comprises nine (9) lots:

- Lot I: The supply, installation, maintenance and instruction of personnel for a main transmission line by radio relay system to provide a telephone service between the towns of SIKASSO and KOUTIALA.
- Lot II: The supply, installation, maintenance and instruction of personnel for a rural telecommunication network in the NIGER-BANI interior zone of the Office du Niger.
- Lot III: The supply, installation, maintenance and instruction of personnel for a 500-line automatic tele exchange for the town of BAMAKO.
- Lot IV: Supply and maintenance of 100 teleprinter machines.
- Lot V: The supply of cables and auxiliary equipment for the aerial-subterranean networks at BAMAKO as well as the areas of KATI, KOULIKORO, BOUGOUNI, KAYES, SEGOU, SIKASSO, SAN and KITA in two versions; base 10, base 7.
- Lot VI: The supply of tooling, measuring instruments and vehicles for the aerial-subterranean networks.
- Lot VII: Supply of 9,200 telephone sets.
- Lot VIII: Supply and execution of civil engineering works for the aerial-subterranean network at BAMAKO.
- Lot IX: Supply and execution of civil engineering works for the aerial-subterranean networks for the regional areas.

The bids for the International (invitation to Tender of 15 April 1983 should be sent to the Direction Générale de l'Office des Postes et Télécommunications du MALI at BAMAKO by 2 August 1983 at 1200 hours (standard time) at the latest.

The opening of the envelopes will take place at a public meeting in the conference room of the Direction Générale de l'Office des Postes et Télécommunications du MALI at BAMAKO on 3 August 1983 at 0900 hours (standard time).

Made at BAMAKO, (15 April 1983

Rebuilding plan for London Zoo

By Tony Samstag

A three-year plan for the financially-troubled London and Whipsnade zoos, costing millions of pounds and involving new buildings and more effective marketing, has been presented to Mr Tom King, Secretary of State for the Environment.

The plan, which assumes a permanent government subsidy, includes a number of ambitious schemes to replace some of the oldest buildings, particularly in the London Zoo at Regent's Park. Mr Colin Rawlins, director of zoos for the Zoological Society of London, said yesterday.

There would be new landscaped areas for temperate birds, birds of prey and parrots, now housed in what Mr Rawlins described as "monumental nineteenth century relics". The bear and goat hills would also be modernized.



Chief Supt Alison Halford, aged 42, who has been appointed Assistant Chief Constable for Merseyside (Management Services), with Mr Kenneth Oxford, Merseyside's Chief Constable. At present with an operations division near Heathrow, she is one of the first woman assistant chief constables.

Sale room

Richelieu watch fetches £36,000

By Geraldine Norman, Sale Room Correspondent

Cardinal Richelieu's carriage watch was sold in Paris on Monday for 410,000 francs (estimate 60,000-80,000 francs or £36,000). The richly wrought silver watch was made in France in the early seventeenth century.

The decoration of the case incorporates Richelieu's arms surmounted by a cardinal's hat and a coronet. Richelieu virtually ruled France for 18 years under Louis XIII.

The watch was included in an Ader et Picard sale devoted to a single superb collection of antique jewels, French silver, Renaissance and later works of art. The unnamed collection had been formed over the past

30 years and realized more than 8m francs (£700,000) with only two lots out of 176 left unsold. A handsome silver *écuelle* cover and stand made by Antoine Gansolen of Toulon around 1729, sold for 350,000 francs (estimate 60,000-80,000 francs) or £30,000.

The Musée de la Legion d'Honneur pre-empted the purchase of a *dizain* of the order of Saint-Esprit, a chain of gold and ivory beads from which are suspended an enamel insignia and skull, at 42,000 francs (estimate 15,000-20,000 francs) or £3,688.

In London yesterday Sotheby's secured the highest auction prices ever recorded for Islamic

bookbindings. It had for sale two Ottoman brown morocco bindings of the fifteenth century richly tooled in gold and formerly in the distinguished F. R. Martin collection.

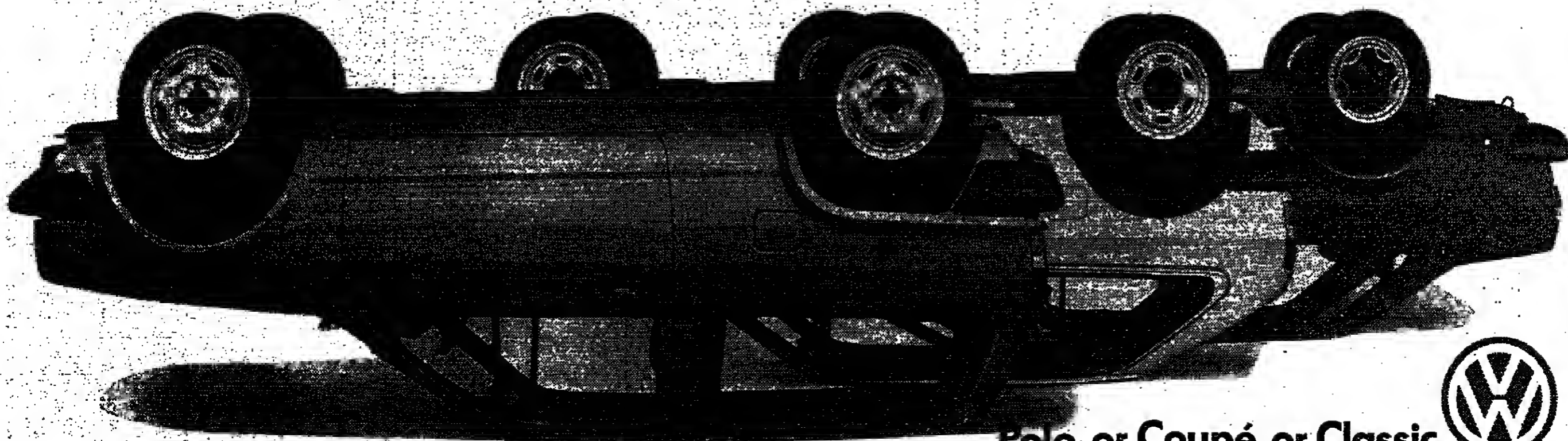
One sold for £13,200 (estimate £3,000-£5,000) to an anonymous collector and the other for £12,100 (estimate £2,000-£3,000) to the Victoria and Albert Museum.

At Christie's a sale of Chinese ceramics and works of art totalled £625,919 with 23 per cent unsold. The top bids came from American and Hongkong dealers with a Tang pottery figure of a Bactrian camel, selling at £66,960 (estimate £20,000-£30,000) to Rare Art of New York.

Handwritten text at the bottom of the page.

Polo. It's a tough choice.

Faced with its record of durability, reliability and safety, the choice between other small cars and the Volkswagen Polo is easy. Faced with the alternatives of a square-backed Polo, the Classic with a boot, or the new Coupé, choosing between Polos is much tougher.



Polo, or Coupé, or Classic.

Kohl cools tension over death of tourist on East German border

From Michael Blayon, Bonn

Chancellor Helmut Kohl's Government was at pains yesterday not to exacerbate the sharp deterioration in relations with East Germany which has resulted from the death of a West German traveller to Berlin during questioning by East German border guards.

Dr Kohl's firm stand in demanding an explanation from Herr Erich Honecker, the East German leader, has been widely praised, but a government spokesman denied that the incident - the most serious since Dr Kohl came to office - had led to preparations for Herr Honecker's visit here being put on ice.

The Chancellor telephoned Herr Honecker on Monday and told him that an autopsy showed that a heart attack did not appear to be the only reason for the death of Herr Rudolf Burkert, who died during a two-hour interrogation on the crossing point with West Berlin on April 10.

The East German leader immediately promised a full investigation - a reaction that surprised observers here and is being taken as a sign that East Germany is embarrassed and anxious not to let the incident

be exploited by opponents of closer relations between the two countries.

One such opponent, Herr Franz Josef Strauss, Prime Minister of Bavaria, called it a "case of murder" and said evidence pointed to serious mistreatment of Herr Burkert by the border guards. "These are the interrogation methods of Barbie," he said. Other members of his Christian Social Union have questioned the proposed Honecker visit. Most papers, however, have sharply criticized Herr Strauss's stand, suggesting that Dr Kohl's more measured reaction politically wise.

East German television gave a long account of the incident on Monday, saying Herr Burkert, a 45-year-old publican, stopped illegally at a motorway area on the way to Berlin and gave 3,000 marks to an East German citizen there. During questioning later he suffered an acute heart attack, slipped from a chair and hit his head.

The East German official news agency said yesterday Herr Honecker had told Dr Kohl it was a regrettable incident, but no blame attached to the border guards. All efforts would be made to clear up the affair, which should not be allowed to upset bilateral relations.

Herr Otto Brautigam, head of the West German mission in East Berlin, has asked for clarification of what is seen as the most serious such incident since the transit agreement was signed 12 years ago.

Meanwhile it has been revealed that an East German journalist accompanying Herr Günter Mittag, a senior member of the East German Politburo now on a visit here, has been arrested in Hanover on charges of spying. The order was issued in Berlin in 1980, and officials emphasized that the man's arrest last Friday was not connected with Herr Mittag's visit. He has been flown to West Berlin to appear in court. West German officials described him as a small fish in the espionage business.

Dr Kohl refused to meet Herr Mittag on Monday, but he has had extensive talks with other political leaders. Otto Graf Lambsdorff, the Economic Minister expressed satisfaction after a meeting at the growth of trade between the two German states, which last year showed a rise of 13 per cent over 1981.



Walesa held for third time in week

Mr Lech Walesa, the former Solidarity leader, was interrogated by Polish authorities yesterday for the third time in a week, this time about the alleged disappearance of several million zloties from the union account in Wroclaw, a former bastion of support for the underground, Roger Boyes writes.

The pressure has been mounting on Mr Walesa who is now the subject of three separate investigations: about his meeting with underground leaders, about his managing of the Solidarity finances and his personal finances.

The interrogation yesterday - completed in two and a half hours - appeared to be aimed at finding out what happened to more than 10m zloties (£75,400) deposited in Solidarity's account in Wroclaw. The money was withdrawn days before the declaration of martial law.

Papusoiu ordered to leave Austria

Mr Stancu Papusoiu, the young Romanian whose deportation from Britain last month led to widespread protests, is now being ordered out of Austria (Our Vienna Correspondent writes).

An official of the Austrian Interior Ministry said yesterday that Mr Papusoiu was free to go wherever he wanted, but he would be expected to be out of the country within a week.

However, the official said that Mr Papusoiu was no longer being accused of having committed offences during a previous stay in Austria in 1980 and that he had therefore been released from the Vienna prison where he had been held overnight.

Mr Papusoiu was transferred to the prison from the refugee camp just south of Vienna on Monday afternoon after he withdrew his request for political asylum in Austria. Why he did this is not exactly clear, but the Interior Ministry official said he did not qualify for political asylum under the terms of the Geneva Convention.

The whole affair is now shrouded in an impenetrable Balkan fog of confusion and mystery. It is not clear why Mr Papusoiu was allowed to leave Romania earlier this month or where he thought he was going to when he was taken off the train by the Austrians.

Sir Harold in Moscow

Wilson 'Trots' baffle Russians

From Richard Owen, Moscow

Sir Harold Wilson returned to the international stage in Moscow yesterday to calm the troubled state of Anglo-Soviet relations and baffle the Russians with a series of deeply felt attacks on "Trots".

He said the recent deterioration in Anglo-Soviet relations was regrettable, and he hoped they would not affect the broad sweep of relations between the two countries.

Sir Harold was speaking to British and Soviet journalists after a visit to Moscow and Tashkent on behalf of the Great Britain-USSR Society, of which he is president. He said Mr Francis Pym, the Foreign Secretary, had approved the visit, and had supported it with great enthusiasm.

The society, a non-political body supported by all parliamentary parties, had several times threatened to send a senior delegation to the Soviet Union in recent years. It had been prevented from doing so by a series of upsets in East-West relations, including Poland and Afghanistan, Sir Harold said.

There were still "hiccups" and "obvious disagreements" between Britain and the Soviet Union. It was all the more important, however, to main-

tain cultural and other links at a time of East-West tensions. Referring to the recent spate of expulsions and retaliations, Sir Harold said, "It is regrettable that these things happen from time to time, but each side knows what the other is up to."

Sir Harold, who has been visiting Russia since 1947 and has known a series of Soviet leaders personally, was accompanied by Sir Fitzroy Maclean, who founded the GB-USSR Society in 1959, and Mr John Roberts, the society's director. They had talks with Mr Mikhail Solomontsev, prime minister of the Russian Federation and a candidate member of the Politburo.

Sir Harold Wilson said the British Labour Party was in serious difficulties, and that "many of our local parties" had been infiltrated by Trotskyists. Addressing Russian journalists - who included Mr Igor Titov, the New Times correspondent expelled from London three weeks ago - Sir Harold Wilson remarked: "You of course know all about Trotskyists from your history, but I don't suppose there are many around now. We can do without them, and as far as I'm concerned you can have them back." He said he thought Trotsky must be "revolving in

Russians expel Briton

From Our Own Correspondent, Moscow

Mr Edward Chick, a 27-year-old Briton, was expelled from the Soviet Union on Monday for "spreading hostile materials" on the instructions of an anti-Soviet émigré organization, Tass reported yesterday.

Tass said that Mr Chick, who had come to the Soviet Union as a tourist, was caught "red handed" in Leningrad on Friday "trying to hand over smuggled seditious materials and instructions". He was put on a London-bound aircraft at Pulkovo airport, near Leningrad.

A British Embassy spokesman said the embassy had been informed of the case by the Soviet authorities but could not comment on Mr Chick's detention and expulsion. The Soviet action did not seem to be linked to "tit-for-tat" moves by Britain and Russia.

An unusual aspect of the case was that Mr Chick appeared on television in Leningrad to express his "profound regret" at having "unwittingly helped the forces opposed to peace".

No sign of Israelis softening terms for troop withdrawal

From Christopher Walker, Jerusalem

In a gesture of defiance against the extremists who devastated the American Embassy in Beirut, the thirty-first round of the tripartite talks aimed at securing the withdrawal of all foreign forces from Lebanon opened precisely on schedule yesterday in the Israeli resort of Netanya.

Before the serious negotiating began, the delegates from Israel, Lebanon and America expressed their condolences over Monday's massive bomb explosion. The leader of the American team, Mr Morris Draper, one of President Reagan's special Middle East envoys, emphasized that the attack had only made all sides "all the more determined" to press ahead with the talks.

Mr Draper, whose wife was slightly wounded in the Beirut blast, told reporters that the parties were determined to move ahead "as rapidly as possible" with the talks which have made painfully slow progress since they opened last December.

Mr David Kimche, the leader of the Israeli delegation, said: "I think we are all determined to carry on as before, but it does prove that there is still a danger of terrorism in Lebanon - that is what we have been saying all along."

The main sticking point remains differences between Israel and Lebanon over the future role of Major Saad

Haddad, the south Lebanese militia commander whom the Israelis insist be given a prominent military position in the south after his troops leave. The Lebanese have so far firmly resisted such a demand.

There was also little sign last night that Israel is prepared to soften its position over the proposed security arrangements for the buffer zone which will extend about 30 miles north of its border.

Briefing the weekly meeting of the Cabinet, both Mr Moshe Arens, the Defence Minister, and Mr Yitzhak Shamir, the Foreign Minister, told their colleagues that the attack justified Israel's security demands.

Mr Arens reported on his meeting last week with Major Haddad and said that Israel was now considering ways of further strengthening the south Lebanese militia which it already supports with cash, training and weapons. A request by the major for increased arms supplies is under consideration.

Mr Shamir told Israel's army radio network: "We all regret the loss of human lives. This is very regrettable, even shocking, but in Lebanon nothing is surprising. I think the lesson is simple and understood. The security problems in Lebanon are still most serious, and terrorist organizations continue to operate there, at times with great success."

Rome clears its mayor

Rome (Reuters) - Rome's communist mayor and two party colleagues were cleared of wrongdoing by a Rome magistrate investigating the alleged embezzlement of public funds.

Lawyers for the three men said they were satisfied with the verdicts but demanded more open democratic conduct by the Rome Prosecutor's office which brought the charges.

The mayor, Signor Ugo Vetere, was cleared of improperly drawing a 2m lire (about £1,000) advance, later repaid, for a security escort to last month's Communist Party congress in Milan. All three were cleared of claiming false travel expenses from the Rome municipality.

Police break up Korean protest

Seoul - Helmeted police using tear gas and jeeps broke up demonstration by about 800 students protesting against the alleged lack of democracy in South Korea on the anniversary of the 1960 student uprising that toppled President Syngman Rhee, Jacqueline Reid writes.

As the chanting students, some calling President Chun Doo Hwan a fascist, linked arms on the campus of Yonsei University, plainclothesmen plunged into the crowd, punching and kicking, to drag off the ringleaders.

Uganda official found murdered

Kampala (Reuters) - The bullet-riddled body of Mr Rajah Lutaya, an official of Uganda's opposition Democratic Party, was found by a roadside three days after he was taken from his home by men in police uniforms, the newspaper *Muniso* said.

Relatives said that Mr Lutaya was seized by men wearing the uniform of the police special forces. His death brings to 16 the toll in such incidents since Friday.

Aga Khan's gift

Dar es Salaam (AFP) - The Aga Khan, whose Ismaili community here has 15 million followers, has pledged to give Tanzania \$50m (about £40m) to help rehabilitate tourist hotels and factories run by his Industrial Promotion Services.

Crowd fired on

Delhi (Reuters) - Police opened fire to break up a stone-throwing crowd yesterday in the Marxist-ruled state of Tripura in eastern India. Five people were wounded during the incident in the state capital of Agartala.

Bombs kill 3

Valencia (AFP) - A police lieutenant was killed here when a bomb placed under his car exploded. In a separate incident, two people were killed when a bomb went off, apparently inside their car.

Correction

The Nationalist Party boycott of the Maltese Parliament, mentioned in a report on April 11, ended on March 25.

McCartney loses suit on paternity

From Our Own Correspondent, Bonn

A West Berlin family court has ordered Mr Paul McCartney, the former Beatle, to pay a monthly sum of 705 Deutschmarks (£150) to a 20-year-old Berlin woman who says she is his illegitimate daughter.

The order has been made to Bettina Hübner, whose mother Erica says she had a relationship with Mr McCartney while he was playing in Hamburg in the early 1960s before the Beatles became famous.

The court order, delivered yesterday, is temporary and backdated until September last year. It must be confirmed by impartially administered blood tests to establish paternity. The judge is to rule at the end of this month whether Mr McCartney should have a blood test under the court's control.

Mr McCartney has denied being the father of Bettina - who bears striking resemblance to him - and testimony to this effect was placed before the court by his Hamburg lawyer, who was not present when the judgment was handed down.

LONDON: Mr McCartney, who is filming in England at the moment, says he has no recollection of meeting the girl's mother. He is consulting with his West German lawyer as to whether he should pay the money pending the judge's ruling at the end of the month.

French likely to cancel South Africa rugby tour

From Diana Geddes, Paris

The French rugby team's proposed tour of South Africa this summer seems likely to be cancelled, despite the unanimous decision yesterday by the rugby federation's management committee that the tour should go ahead. The committee is seeking a meeting with President Mitterrand and is expected to submit to his views on the matter.

Earlier this month, Mme Edwige Avice, the new Sports Minister, wrote to national sports organization, asking them to ban all amateur contacts with South Africa as part of the Government's campaign against apartheid.

The golf federation immediately called off a proposed trip by five of its women players, who were to have taken part in last week's South African amateur golf championships. But the rugby federation made it clear that it planned to contest the Government's decision.

At an emergency meeting yesterday, the 34 members of the management committee threatened to resign en masse in protest against the proposed ban, but then decided instead to issue a statement reaffirming their intention to go ahead with the tour.

Professionals are not to be subject to any restrictions on their sporting contacts with South Africa because, Mme Avice said, they took part in an individual capacity, and not as representatives of France, and because the Government believed it would be wrong to interfere with their right to work.

M Alvert Fetrasse, president of the rugby federation, said it was now going to seek a meeting with M Mitterrand. "If he agrees to see us, we will explain to him our point of view."

"If he tells us not to go, we will not go. We are disciplined people. We have nothing to gain by declaring war (against the Government). But we do not consider that the explanations that the Minister for Sports, Mme Edwige Avice, gave us on Monday, are sufficient."

"We do not understand that there should be one rule for professionals and another for amateurs. I feel there is still some hope. It would not be the first time that a minister was overruled by his or her president."

M Max Gallo, the Government spokesman, denied that the Government was "sacrificing sport to an ideology".



Meeting the press: Mr Mayson (left) and Canon Paul Oestreicher, international secretary of the British Council of Churches. Photograph: Harry Kerr.

Cleric tells of beatings and torture

By Clifford Longley, Religious Affairs Correspondent

The Methodist minister who jumped bail in South Africa, and fled to Britain, said yesterday that he had thereby saved several friends of his from prison.

The Rev Cedric Mayson, who is 55 and British-born, was explaining in London his change of mind about standing trial on charges under the Treason Act, on which he was expecting to be acquitted.

Several people, including Dr Beyers Naude, former director of the banned Christian Institute, had been interviewed recently by the police seeking further evidence against him.

They refused to cooperate, but on past experience it was likely the prosecution would subpoena them and they would be liable to be jailed in contempt for refusing to answer questions.

Since he was first arrested in November, 1981, the situation in South Africa had deteriorated, with the security forces now operating beyond the control of the courts, he said. While he happened to be speaking to his wife Penelope on the telephone after reaching Britain, his house was attacked by a white gang who damaged his car and caravan and shouted abuse. He hoped his family could leave South Africa to join him as soon as possible.

He said he admitted many

of the facts alleged in the charges against him, but not the crucial allegation that he was thereby seeking in further the aims of the African National Congress, a treasonable offence. He had helped people leave the country illegally, and he had literature in his possession he should not have had.

After his arrest he had made a confession, which the trial judge later ruled was inadmissible evidence. "I was stripped naked and I was handcuffed with my hands behind my back," he said. "It was a very difficult experience. Then I was kept awake for several days and nights, with no sleep."

A notorious interrogator, known as "Spyker" had pushed him in the floor, jumped on him and pulled his head backwards and forwards. "It was very intimidating, and also rather painful."

Had he stayed in South Africa, even after an acquittal, he expected to be banned, put

under house arrest and possibly in due course, killed. He escaped by crossing the shallow Caledon River, the border with Lesotho, after a friend had driven him there. Other friends arranged transport for him to Mozambique, and then to London.

Mr Mayson said he had not been involved in any way with violent activity against the Government, and had originally wanted to stand trial "to defend the Christian witness of peace, harmony and justice".

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Attenborough tour off

From Michael Hornsby, Johannesburg

Sir Richard Attenborough, director of the award winning film *Gandhi*, will not now be making a promotional tour of South Africa where his film goes out on general release to racially segregated audiences at the end of this week.

Mr William Sharp, the manager of press relations for Sier-Kinecor, the cinema chain which is showing the film here, said Sir Richard's decision to cancel the visit had been communicated to his company on Monday night.

Stein-Kincor said that it respected Sir Richard's decision because of the "extreme international pressures from various sources" to which he had been subjected.

مركز من لرامبل

Nkomo ponders future in lonely exile as Zimbabwe celebrates

By Henry Stanhope, Diplomatic Correspondent

Officials of the Zimbabwe High Commission and their guests celebrated the third anniversary of independence at a reception in London this week, without the man who had most right to be there.

Mr Joshua Nkomo, aged 65, sat instead in his rented flat, two miles away across Hyde Park, supposedly planning his return to the country he fled five weeks ago.

Assurances on his safety and on the restoration of the principles of reconciliation and the rule of law which Zimbabwe was founded on, which were his original conditions for going home.

Now he says he no longer cares about the former and would seem to have grave doubts about the latter. But speculation is nonetheless growing over the imminent return of Mr Nkomo to the land he fought for.

He refused to give interviews last week before Zimbabwe's independence day, pointing out that these at such a time were the prerogative of Mr Robert Mugabe, the Prime Minister and his political enemy.

But he was quoted by Newsweek as accusing Mr Mugabe of pursuing a policy of "terrorism and destruction" to suppress opposition to one-party rule.

He said: "A referendum has got to be conducted in an atmosphere that would result in a free and fair decision by the people. The terrorism and destruction that has gone on in Zimbabwe has not created that atmosphere."

There had been an attempt in Zimbabwe to use the problem created by dissidents for other purposes. Such as the implementation of one-party politics.

"The Government knows it cannot be done by persuasion so it has to be done by force. In order to deploy the Army certain acts must happen in certain areas and those acts must be attributed to dissidents."

"Everyone seems to forget that these so-called dissidents have concentrated their actions against us, against the Zimbabwe African People's Union (Zapu), he said.

One of his objectives while in Britain has been to find other ways of bringing pressure to bear on the Harare Government, since Mr Mugabe's rejection of the protest by Zimbabwe's Roman Catholic bishops.

People living there need to be given hope, according to Zapu sources. They need to be assured that their cause is being heard. By giving them such hope the prospect of civil war in the country can be averted.

Mr Nkomo is said to feel cheated by the Harare Government's one-party policy,

especially after he had done everything possible to persuade his own Zapu supporters, often against their better judgment, to cooperate with their old Zapu opponents.

Mr Tiny Rowland, the Lonrho chief who backed Mr Nkomo as an old friend on the latter's arrival in this country, is now said to have withdrawn his support. Mr Nkomo must feel that the day is now approaching when he has to decide whether to return or resign himself to lonely exile.

Then it will be Mr Mugabe and his followers who will have to decide whether to proceed against the grand old man of Central African nationalism or whether once more to bridge the political gap between them.

Neither man can pretend for much longer that the problem will simply go away.

HARARE Zimbabwe's main opposition party has again opened a rift under the threat of banning for allegedly supporting anti-government guerrillas operating in the Western province of Masvingoland, Stephen Taylor writes.

Mr Mugabe said that officials of the Patriotic Front party had been directly aiding armed dissidents.

He said: "If the trend towards subversion continues, I can assure my Government will not hesitate to proscribe the party."



Top advice. Mr Igor Andropov, son of the Soviet Party leader, chats to his delegation chief Mr Anatoly Kovalyov, before the Madrid conference starts.

Security delegates deny reports of split

Chief delegates of West Germany and the United States attempted here yesterday to dispel reports of a split in the Western position as the conference on security and cooperation in Europe reconvened after a brief spring recess.

Speaking on behalf of the 10 members of the EEC, Herr Jörg Kasl, the West German ambassador, said that the latest proposal for a final document, submitted last month by neutral

and non-aligned nations, constituted a valuable effort, although members did not think the proposal in its actual form was completely satisfactory and further improvements were still needed in certain areas.

He assured fellow delegates at this 35-nation Helsinki Review conference that the Ten would be flexible and ready to use all available procedures appropriate to bring about satisfactory results.

Mr Max Kampelman, the US Ambassador, who according to unofficial reports was holding out for a tougher position on the proposed final document than were West Germany and other member countries of the Nato insisted at a meeting with journalists after the closed-door plenary session that he found very little difference among Western nations regarding the proposed document known as RM-39.

Commons outraged Canadian budget leaked on TV

From John Best, Ottawa

Opposition spokesmen in the Canadian House of Commons yesterday demanded the resignation of Mr Marc Lalonde, the Liberal Finance Minister, after an unprecedented budget leak.

The Budget, Mr Lalonde's first since he was appointed last September, was due to be presented in the Commons last night.

At a pre-budget "photo-opportunity" session in the minister's office on Monday, a television cameraman filmed several pages of the French text of Mr Lalonde's speech.

They turned out to be key parts of the budget presentation, and showed the Government projecting a \$Can 31,200m (£16,200m) deficit for the fiscal year 1983-84, compared with a deficit of between \$Can 23,000m and \$Can 27,000m for the year just ended.

The film clips also showed government plans to spend \$Can 4,600m for job creation for the coming year.

The photo-opportunity session is traditionally held to allow informal pictures of the finance minister in advance of his budget speech.

Mr Lalonde, in this case, made the occasion more realistic by actually skimming through parts of the budget as the cameras whirled, apparently not realizing that at least one camera was picking up the fine print.

Mr Erik Nielson, the Conservative Opposition leader in the Commons, quickly demanded Mr Lalonde's resignation. He said the leak was so enormous that the finance minister had no recourse but to resign.

"There has never been a breach of such magnitude in Canadian history", Mr Nielson said.

Mr Nelson Riis, finance critic of the New Democratic Party, also demanded the minister's resignation, saying that the credibility of the whole Budget had been put in question.

In the British tradition, budgets here are supposed to be kept entirely secret until their unveiling, as speculators could move to take advantage of advance knowledge of their contents.

Mr Lalonde's office was still refusing yesterday morning to comment on the demands that he resign, but a spokesman for Mr Pierre Trudeau, the Prime Minister, said he did not expect Mr Lalonde to step down.

The leak was not without irony, in that Mr Lalonde had taken extraordinary precautions this year to ensure that he would not be scooped by the media on his own budget.

Normally, reporters are allowed to leave the locked room where they prepare stories on the budget in advance of its presentation, at 8pm, when the minister starts speaking. This year, they were being kept in until Mr Lalonde finishes.

Prem's job seems safe for 4 years

Bangkok (Reuters) - General Prem Tinsulanonda seems assured of a further term as prime minister because none of the political parties achieved a clear majority in the general election yesterday.

Even the Kukrit Pramoj, the leader of the Social Action Party which won the biggest number of seats, has said that General Prem should stay.

General Prem succeeded his one-time mentor, General Kriangsak Chomanan early in 1980, and has since survived an abortive coup and crisis mounted by infighting in the outgoing coalition Government.

A former army chief, General Prem owes his unique position to personal integrity and to Thailand's complex politics in which civilians and the military share equal administrative and legislative powers. He has carefully guarded his reputation and stands aloof from government and business affairs which could compromise it.

While he regularly attends ceremonies and public functions sponsored by the Thai royal family to show his loyalty, he avoids private parties and other social activities.

He was born on August 26, 1920, in the provincial capital of Songkhla in southern Thailand into a middle-class family and commissioned into the Army as a sub-lieutenant in 1941. He had his first taste of combat in a brief border war with the French forces in Indo-China shortly afterwards. Unlike most politically ambitious generals, he spent all 36 years of his career in the field.

As Prime Minister he has displayed little personal knowledge of economic and administrative problems preferring to leave the day-to-day running of the administration to bureaucrats.

Leading the ruling coalition as a compromise choice, General Prem has often deliberately distanced himself from disputes and conflicts involving his two main coalition partners - the Social Action and the Thai National parties.

Thousands still held in Vietnam

By Richard Dowden

Vietnam is still holding several thousand people in "reeducation camps" because of the positions they held in the previous South Vietnamese Government, according to Amnesty International.

The human rights organization said that some of those detained are former policemen, soldiers or administrators who were arrested after the communist takeover in 1975 and others had been arrested since then for their religious or political beliefs or for trying to emigrate illegally. Amnesty urged yesterday that they be released or brought to trial quickly.

There is no overall figure for the number of those detained, last year Mr Nguyen Co Thach, the Vietnamese Foreign Minister, was quoted as saying that some 16,000 people were being held in reeducation camps.

Not are there details of conditions in the camps, but Amnesty said it was concerned at reports that large numbers of prisoners suffer from malaria, tuberculosis and diseases related to malnutrition. It was also concerned at reports that prisoners in some camps relied partly or wholly on food and medicine provided by their families.

Emigrants are leaving Vietnam at the rate of more than 1,000 a month under the orderly departure programme according to Mr Paul Harding, the United Nations High Commissioner for Refugees. The programme began in 1979 and Mr Harding said that the number of boat people reported to be leaving Vietnam since then had dropped.

Peking's China accused Vietnam yesterday of being solely responsible for artillery exchanges along their common border and threatened further retaliation if Hanoi did not stop its "provocations", Reuters reports.

The warning, by Qi Huayuan, a Foreign Ministry spokesman, was China's strongest since last weekend when the two countries began exchanging artillery fire and accused each other of starting the violence.

Wettest winter for 50 years devastates Cuba

By Our Foreign Staff

Three months of torrential rain and hurricane force winds have devastated homes, crops and communications in Cuba creating what the national news agency calls an "extremely grave situation".

It has been the wettest winter for 50 years according to the Cubans, who say that the effects of the unseasonal storms which have swept the country since January are worse than the devastation caused by hurricane Flora in 1963 which killed more than 1,000 people and left 100,000 homeless.

In the sugar industry, the country's main export earner, the situation is described as "truly critical" with a loss of more than 2 million tonnes. Unofficial sources put the loss at two million tonnes, nearly a quarter of the total crop.

Cuba also faces a very serious foreign debt crisis. Creditor banks meeting in Paris yesterday failed to reach agreement with the Central Bank of Cuba on rescheduling some \$200m (about £133m) of short-term debt. Cuba, whose foreign debt amounts to about \$3,200m, is trying to postpone repayment of about \$1,200m. It is likely that Cuba will have to ask the Soviet

Union for emergency assistance.

The Cuban news agency said last week that there had been 80 days of torrential rain, more than five times heavier than usual in some places for the time of year and winds of over 125 mph.

Although there have been few deaths and injuries, thousands of people have had to be evacuated from their homes, and there has been severe flooding destroying roads, bridges, factories and power lines.

On March 16 a tornado hit Muriel near Havana and "crushed huge high voltage towers as if they were paper", the news agency said. It said the estimates for damage were still provisional, but the entire export crop of tobacco, three quarters of the tomato crop and a quarter of the potato crop had been destroyed.

The news agency emphasized that the economic and social programme must be adhered to and exhorted the people to make an exceptional effort. The Government has set up a national working group headed by the vice-president of the National Council to coordinate relief work.

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Chernenko fails to attend Politburo meeting

From Richard Owen, Moscow

The failure of Mr Konstantin Chernenko to appear in a Politburo line-up at a key meeting of the leadership has reinforced reports circulating in Moscow that factional struggles are continuing with in the Kremlin.

Mr Chernenko, who was President Brezhnev's protégé but lost the leadership battle to Mr Yuri Andropov last November, was not among senior Politburo members who attended a Central Committee meeting on agriculture on Monday addressed by Mr Andropov. A report of the meeting on the front page of *Pravda* yesterday listed all 11 other Politburo members.

Mr Chernenko is not known to have been in bad health, and always appears relatively fit, so that illness is being discounted as an explanation. Earlier this month "ill health" was given as the reason for Mr Chernenko's unexpected absence from a conference in east Berlin.

Mr Chernenko initially dropped from view after the party leadership contest nearly six months ago, but has recently reemerged into the limelight. He chaired a Soviet block meeting on ideology in Moscow in mid-March, and appeared on the platform next to Mr Andropov and Mr Nikolai Tikhonov, the Prime Minister at a Kremlin meeting at the end

of March commemorating Karl Marx.

As head of the party's general department, Mr Chernenko has been a channel for the grievances of "Brezhnevites" and other victims of Mr Andropov's drive for greater efficiency and discipline.

In his address to regional party leaders at the Central Committee, Mr Andropov called for new management techniques in agriculture. He praised the efficiency of Russia's small-scale private farming, and urged "agro-industrial" complexes to support and stimulate useful initiatives. Mr Andropov said that in a number of areas full use was not being made of "local resources for improving foodstuff supplies, and here I am speaking particularly about personal household plots".

Private peasant plots account for under 1 per cent of agricultural land in Russia, yet produce nearly a third of the total agricultural output, including fruit, vegetables and meat.

Acknowledgement of private enterprise is ideologically sensitive in the Soviet Union, however, and Mr Andropov appeared to be developing the mildly reformist food programme launched by Mr Brezhnev last May rather than calling for anything more radical.



Griming in the rain: The royal couple still smiling despite their broken-down Rolls-Royce

Royal couple revive their reputation as rainmakers

The Prince and Princess of Wales received a soaking in New Zealand yesterday in weather fit only for ducks.

It was hot and fine last time Prince Charles was here two years ago, but this visit by the royal couple has been dogged by cold, wet conditions. Despite forecasts of better weather, it rained as the Prince and Princess opened Milford School, near Auckland.

The Princess, again wearing her pale yellow woollen dress and matching hat against the

weather, reached for a big black umbrella as soon as she stepped from the royal Rolls-Royce and as the couple started a walkabout through the grounds of the new boarding school, which teaches children to be "water wise", they quickly sent for mackintoshes.

Opening the centre, Prince Charles could not resist a reference to the couple's reputation, built up during the tour of Australia and New Zealand, as rain-makers.

He said: "I am not exactly positive whether we brought the rain from Australia or whether it is some of the rain that soaked the Queen in California which has taken six weeks to cross the Pacific."

The weather even had the last word as they were leaving to attend a fire service display when the waiting Rolls-Royce, lent by the Governor General, failed to start because of ignition problems caused by the rain. As the driver, Mr

Fred Page, aged 60, struggled beneath the bonnet, the Prince and Princess delighted the crowds by going for another short walkabout. Finally, a black Daimler had to be used instead.

Prince Charles suffered from food poisoning in Australia and his temperature soared to 104 degrees, according to Mr John Maxwell, a factory foreman, who said the Prince told him of the brief illness when they met yesterday.

Right forces head of Salvadoran defence to resign

San Salvador (NYT) - General José Guillermo García, El Salvador's Minister of Defence, under attack from both American and Salvadoran authorities for his management of the war against a leftwing insurgency, resigned on Monday.

General García had been criticized by the extreme right for his support of the land redistribution programme and the provisional Government that came to power after the election last year.

General Carlos Eugenio Vides Casanova, the director of the National Guard, was nominated by the provisional President Alvaro Magaña as Defence Minister.

Considered a political moderate, General Vides Casanova was named guard commander in 1979 in an effort to end the organization's excesses. His appointment as Defence Minister is subject to confirmation by the 60-member Constituent Assembly.

General García was appointed to the military junta formed after the overthrow of General Carlos Humberto Romero in 1979 and is the last member of the group to remain in the Government. He was considered a conservative representative on the junta, but as other, more left-leaning, military members were forced out he rose in prominence and played a role in stabilizing the country's civilian Government.

Last year, he emerged as the crucial government supporter of the land redistribution programme, a project backed by the United States.

His support brought criticism from the far right and there were rumours of a possible coup last autumn. Early this year, as the leftwing guerrillas began to have a series of successes in the countryside, General García became the focus for American as well as Salvadoran frustrations with the course of the war.

These frustrations became public when a little known commander of a north-eastern province refused in January to accept an order transferring him to the Salvadoran Embassy in Uruguay until the Defence Minister resigned.

General García offered his resignation at a meeting attended by other commanders on March 18, but it was not accepted by President Magaña.

According to a political source, President Magaña gave the continuance of American aid as one of the reasons for his continued support of the Defence Minister. The Americans, the source said, then made it clear that the United States supported the institution and not necessarily one man.

"This month, however, when Colonel Juan Rafael Bustillo, the Air Force Commander, threatened to resign if General Vides Casanova was not named President Magaña was forced to act. Minutes before Colonel Bustillo's deadline, he received a telephone call from the Presidential House saying that General García would resign on Monday.

Mexico breakthrough eludes Shultz

From Joan Carlin, Mexico City

Mr George Shultz the American Secretary of State ended his first day of talks on Central America with Senor Bernardo Sepúlveda, the Mexican Foreign Minister, with plenty of agreement on objectives for the war-torn region but little of substance on means of reaching them.

A US Administration official said in Mexico City on Monday night that both governments wished to see a lasting and peaceful solution to the escalating conflicts in Central America, and that they would like to work together for healthy economies and pluralistic political systems in the region.

But when pressed on whether Mr Shultz had got any nearer to overcoming the traditional differences between Mexico and the United States on their visions of the Central American dilemma, the American official had to concede that no breakthrough had been made.

The United States conceives of Central America predominantly as a stage for superpower confrontation, while Mexico sees the region's problems in more local terms, as the product of centuries-old social injustices.

Nevertheless, Senor Sepúlveda said it was urgent that these differences should somehow be reconciled if a lasting peace was to be achieved in Central America. The meetings Senor Sepúlveda and Mr Shultz were due to have yesterday would be crucial in the rapidly desired wish on both sides for a certain rapprochement on the views of how this could best be done.

Mr Shultz has been accompanied on his Mexican visit by Mr Donald Regan, the United States Treasury Secretary, who had four hours of talks on Monday with Senor Jesus Silva Herzog, the Mexican Finance Minister, on the prospects for Mexico's battered economy. A United States Treasury spokesman said at the end of the day's talks that they had been favourably impressed with the Mexican Government's analysis of their country's economic predicament.

Mexico, with a foreign debt of \$8.500m (£5,500m), depends on oil exports for more than 70 per cent of its foreign earnings. Financial analysts fear that if the oil price continues to fall, the international banking community, with United States banks on the front line, might be obliged once again to bail out Mexico.

Austrians prepare to vote Kreisky's popularity will ensure party victory

From David Blow, Vienna

The Austrians have been accustomed to have only two to three per cent unemployment over decades, he says. "Should we wait until we are in the same situation as the Germans or even the British?"

Dr Moeke, former diplomat, aged 46, is fighting his first general election since he became leader of the People's Party in 1979. His main attack is levelled against what he sees as the reckless policy of the Social Democrat Government of borrowing and spending its way out of the economic crisis. He says that this has imposed a heavy burden of debt and taxation, but has done little to create jobs.

He wants to see much more attention given to Austria's small and medium-sized private enterprises, which provide 80 per cent of jobs, and insists: "If we move about three per cent of our expenditure into promoting investment, we can recover full employment in four to five years."

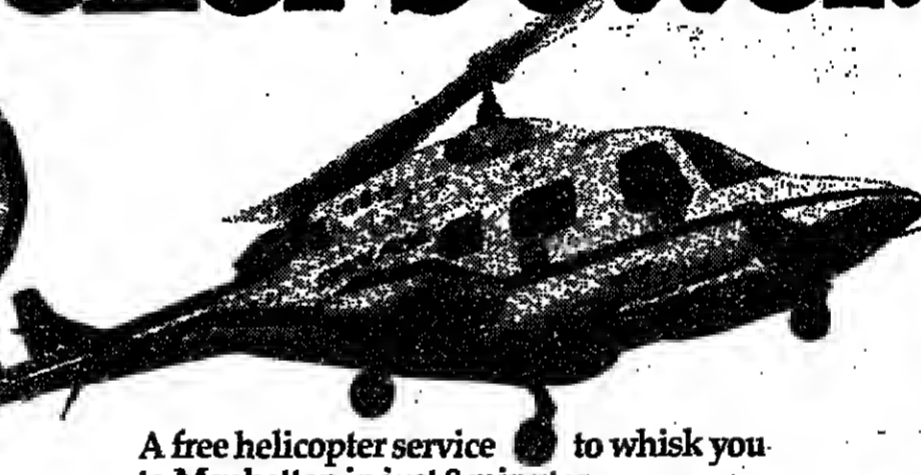
The People's Party, whose traditional colour is a sombre clerical black, has acquired a green tinge in recent years. It strongly supports the 1978 referendum decision against the use of nuclear power in Austria, a decision which Dr Kreisky would like to see reversed. It also tends to adopt something of a "small is beautiful" approach in opposing the more grandiose projects of the Social Democrats, such as the huge new conference centre being built in Vienna.

But in the run-up to the election all the main parties have been at pains to dispel their "green" credentials for fear of losing votes to the two new green parties.

Austrians are not natural radicals and the Austrian "greens" have little in common with their West German namesakes quite apart from the fact that there is no nuclear issue to exploit. Their real significance is as protest movement against the apparent immobility and all-pervasive influence of the two big parties.

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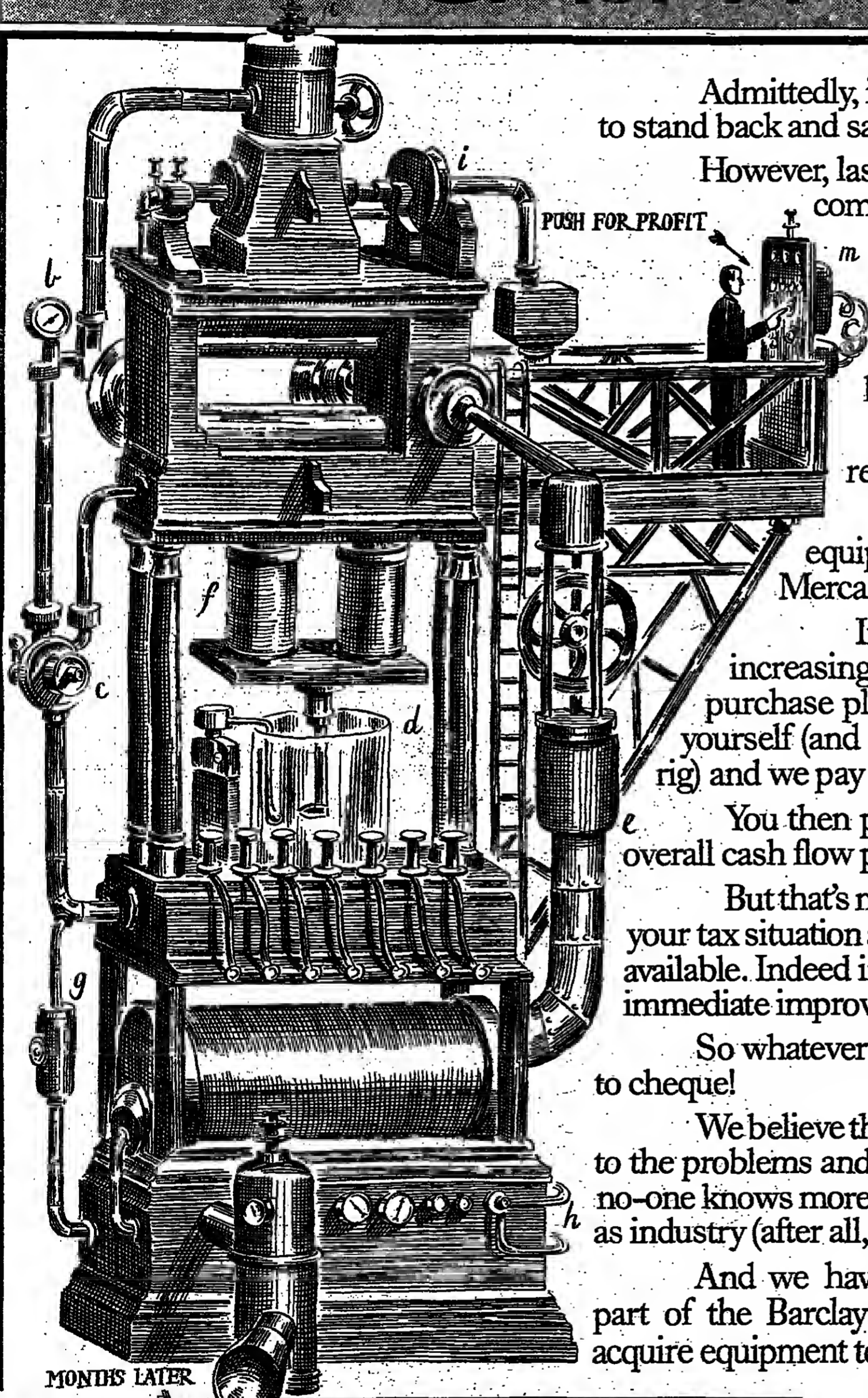
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MONTHS LATER

SO WHY HAND OVER THE CASH?

A SPECIAL REPORT

TEA

We had a kettle, we let it leak,
Our not repairing it made it worse,
We haven't had any tea for a week,
The bottom is out of the universe.

Reviewed by Kyling

A large mug of gently steaming, which brown liquid stands on my desk in front of me as I type this. Cheaper, more ubiquitous and less pernicious than either nicotine or alcohol, tea remains unchallenged as our national drink, or drug.

If we exclude plain tap water, tea accounts for more than half our total liquid consumption. We are by far the largest importers in the world, and only the Irish drink more per head than we do.

That we should have made ourselves so dependent on a totally non-indigenous plant, grown thousands of miles away in tropical Asia and Africa, is extraordinary. But we should, it seems, be grateful, without tea, our addiction might well have taken a more destructive turn. "In the bracing climate of the north," according to an entertaining book published by Thompson, Lloyd and Ewart, the tea brokers, "men will go to almost any lengths to avoid drinking plain water." It points out that in medieval times the monks of Abingdon were entitled to three gallons of beer each, while those at Battle were rationed to a gallon of wine.

If the book's author, P. J. Banyard, is to be believed, the "capricious" behaviour of medieval people may well be explained by their dependence on alcohol. From what we know of 18th century drinking habits, which are more fully chronicled, there is much to be said for his assertion that tea and coffee have provided "an immense service to civilisation."

The supposition nowadays is that we drink them in preference to stronger stimulants because they are cheaper. Were the Chancellor in a moment of aberration to remove all duties on wine, it is said, we would follow the example of the French and the Italians and do terrible damage to our livers.

But history does not support this view. When tea took Britain by storm in the 17th and 18th centuries, it was a very expensive drink; a pound of the cheapest variety would cost a skilled worker about one third of his weekly wage and, until the high duties were repealed in 1784, smuggling was widespread.

Ironicly, it is only in recent years, when the cost for most people has been relatively insignificant, that tea drinking in Britain has declined. Between 1967 and 1978 consumption fell by about 20 per cent from over 200,000 tonnes to little more than 160,000 tonnes, although in the last three or four years the trend has been reversed.

The main competition at first was from coffee, with the rapid growth of coffee bars in the late 1950s and early 1960s, belated successors to the 17th century coffee houses which, ironically,

owed their decline to the advent of tea. They proved to be a short lived phenomenon, but the "coffee habit" was retained and strengthened by the ready availability of a wide range of instant brands.

From 1972 onwards, according to Mr Jim Munday, executive director of the Tea Council, consumer preferences, particularly among young people, turned to soft drinks. Since 1978 the council's advertising, primarily on television and in magazines, has been aimed at giving tea a more sophisticated image.

Unlike the clever but short-lived "Join the Tea Set" posters in the 1960s, the campaign appears to have worked. The council's latest annual report says that it has been particularly successful in changing the attitude to tea among young people, especially young housewives. There also appears to be a widespread view, in this health conscious age, that tea is better for you than coffee.

The revival of tea drinking in Britain, together with its growing popularity in the United States, Poland and West Germany, has come not a moment too soon for the industry. During the latter part of last year, according to Mr Alban Davies, the council's chairman, supply and demand were broadly in balance for the first time since 1976.

In that year there was a fall in world production and an outbreak of panic buying, which led to soaring prices and subsequent collapse. This time, he believes, the picture is altogether healthier.

A steady growth in world demand is needed to absorb a similarly steady growth in production; between 1970 and 1981 total exports rose from 651,000 tonnes to 851,000 tonnes. The three giants are still India, China and Sri Lanka (which, interestingly, still calls its product *Ceylon* tea), but other countries are moving up the table fast, notably Kenya and Malawi.

For Third World countries tea is a convenient cash crop, relatively easy to grow and labour intensive. It was this

realization that led to the collapse of the old voluntary quota system in the mid-1950s. Since then fears that supply would outstrip demand have led to protracted talks on an international quota system under the auspices of the United Nations Conference on Trade and Development (Unctad). So far the talks have made no headway, and there is little optimism about any agreement in the foreseeable future.

The other great change that has overtaken the trade has been the decline in importance of the auction market. The traditional auction is still held every Monday at Sir John Lyon House, in Upper Thames Street, and there are others in Colombo, Calcutta, Cochín, Mombasa, Jakarta and Chittagong. Whereas at one time auctions accounted for about half of all British sales, their volume slumped last year alone from 82,000 tonnes to 59,000 tonnes.

High interest rates and producers' increasing reluctance to wait several months for payment have discouraged distributors from carrying large stocks in warehouses. Instead most tea is now bought on contract in the country of origin, and stocks are frequently kept afloat in container ships as being cheaper than storage ashore.

These developments have not been universally welcomed. Mr Jagdish Khattar, director of promotion in the London office of the Tea Board of India, maintains that an increasing proportion of substandard tea is being imported into Britain, and that the overall quality has declined as a result.

Teas are regularly sold under their purported places of origin, such as Ceylon, Assam, or Kenya, when in fact they are blends from various sources, he claims. For example, the lovely aromatic Darjeeling tea can, for climatic reasons, be grown only in the foothills of the Himalayas, and production is limited to about 10,000 tonnes a year. Yet Mr Khattar estimates that between three of four times that amount is packed and retailed as Darjeeling.

Under the Trade Description Act packers need only mention in small print that teas are blends from various sources. The Indian Government has formally asked Britain to implement minimum standards for imports, but has had no success to date.

Sterling's recent decline has been bad news for the producer countries since it is historically the currency in which nearly all trade is conducted. But it has certainly helped to boost sales in Britain: Mr Munday is able to claim that a home-made cup of Darjeeling (presumably real Darjeeling) costs less than a cup of instant coffee.

"The greatest growth potential is undoubtedly at the quality end of the market," he says. "Go into supermarkets and you will see shelves full of speciality blends. Tea is becoming trendy again. There is even a shop in Covent Garden which sells nothing else."

Health consciousness also helped sales of tea, and the recession, he admits. "It has not done us any harm. Tea has for so long been part of the wallpaper that its virtues tend to have been forgotten. Now it is reclaiming its proper status. Even tea dances are making a comeback."

John Young

CHINA

The art and its name

China, which taught us the art of tea cultivation and gave the drink its name, may well have reemerged as the world's largest producer. Official figures for 1982 of 370,000 tonnes put it second to India; but there is a substantial unrecorded amount of tea grown in small quantities and used locally. Estimates of actual production range from about 620,000 tonnes to nearly one million tonnes.

It is thought that China has about 2.5 million acres of tea fields, roughly 45 per cent of the world's total. These are mainly in the subtropical south-east and centre of the country, in the provinces of Yunnan, Guangxi, Guangdong, Sichuan, Guizhou, Hunan, Hubei, Jiangxi, Zhejiang, Anhui, Henan, Jiangsu, Fujian and Shaanxi.

Production is expected to increase by between 3 and 5 per cent a year into the 1990s, mainly to meet domestic demand. According to a Chinese tea delegation which visited the United States last year, 90 per cent of China's population of more than 1,000 million drink tea every day. A



Eric Tye, chief blender at Ty-Phoo, with the tools of his trade. About 25 different teas go into the average packet.

man is likely to put down six to 12 (albeit small) cups and a woman three to eight cups.

Most of this is green tea; of which there are thousands of varieties in China. Of the officially recorded production in 1982, it is estimated that 275,000 tonnes, or nearly 75 per cent, was of green tea. The Chinese delegation said that about 60 per cent of the increased output in the coming years would be in green tea and 40 per cent in black.

However, it is the smaller, black tea production which has caught the attention of the outside world. More than 95 per cent of the world tea trade is in black tea and it is with this type that China has the better chance of earning foreign currency. Its exports of both black and green teas have more than doubled since 1970 and now stand at about 50,000 tonnes each. The black goes mainly to Europe and the United States and the green to other Asian countries and North Africa.

China's growing international importance has aroused fears among the biggest black tea exporters, India, Sri Lanka and Kenya, that they will be ousted from their leading positions by

the "dumping" of vast quantities of cheap Chinese tea on the world market.

These fears are probably exaggerated. First, huge domestic demand will take care of most of the increase in Chinese production. Secondly, as a country which is desperately short of hard currency, China would presumably not wish to engineer a collapse in tea prices.

Britain is the largest overseas market for Chinese tea, followed by the United States and Pakistan, and last year our imports from China jumped by nearly 97 per cent to 11,804 tonnes.

Several factors lie behind this increase. The most important concern changes in production and distribution. First, the Chinese have improved quality by greater use of fertiliser and modern machinery (some of it copied from Western models). Secondly, they are catering increasingly for tea bags - which account for 60 per cent of the British market - by manufacturing tea with small and precisely sized leaves. Thirdly, in the last two years they have switched to shipping their tea in standard

continued on next page

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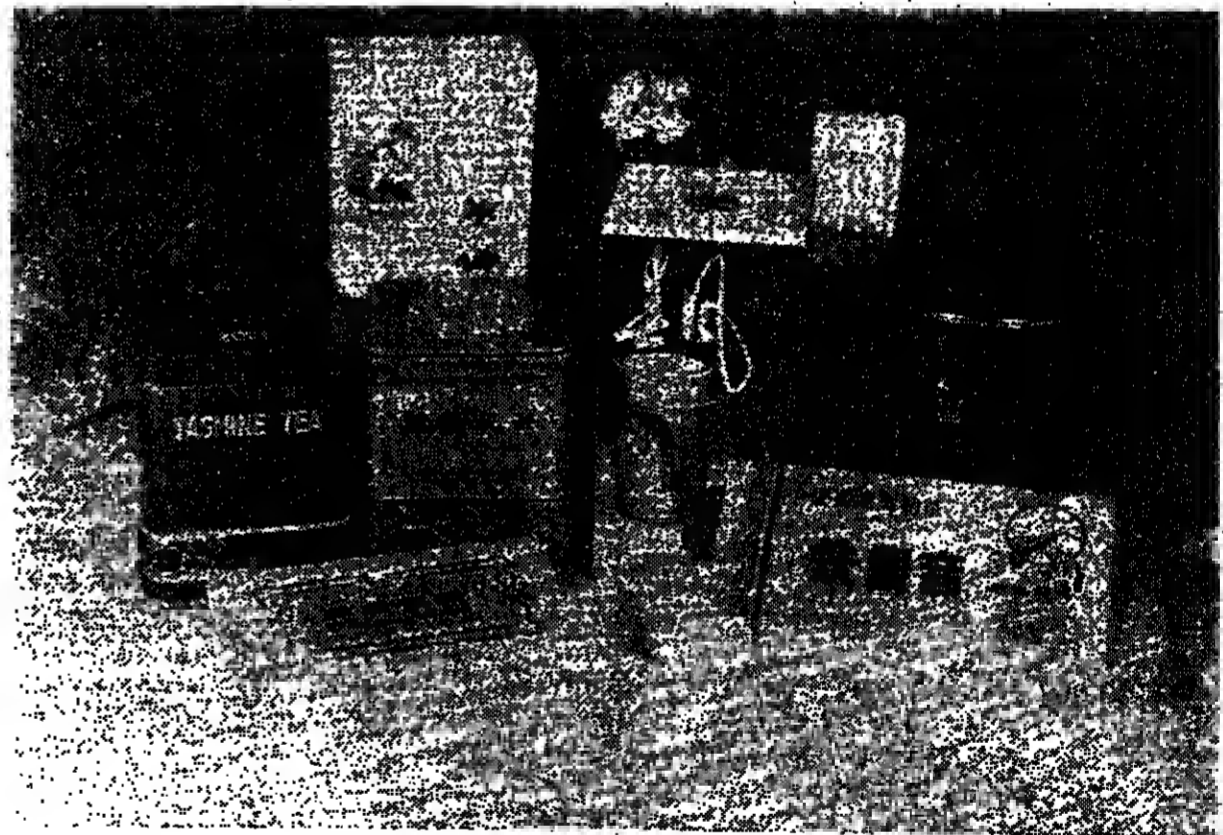


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measurement plywood chests
placed on pallets and packed in
20R-containers.

In addition, China was able
to benefit from changes in the
international market. In 1981
Britain bought large quantities
of cheap Argentine and Mozam-
bique tea for blending. The
following year the Falklands
war affected supplies of the first,
and a dramatic decline in
quality, supplies of the second.
The Chinese were in a position
to fill the gap. According to a
leading tea buyer in London,
they are likely to hold on to
most of the increase in their
sales to Britain, despite severe
flooding in their tea growing
areas this year.

China continues to steer clear
of the London auctions, still the
most international of the
terminal markets, though ced-
ing in volume to Colombo and
Calcutta. Some Chinese tea
appeared in the auctions in the
late 1950s but fetched poor
prices. The Chinese have since
preferred to sell forward
through merchants or direct to
the wholesaler, although a
negligible amount of tea has
been placed in the auction by a
third party.

Last August the Chinese sent
a delegation to the much
smaller, and more local, auction
in Singapore but, as with
London, have not yet commit-
ted their tea to it.

Simon Scott Plummer

INDIA

**Fighting to
keep its
leadership**

India's tea industry, based on
8,000 plantations mostly in
Assam, Darjeeling and parts of
the South Indian hills, is still
the largest in the world. But it is
having a difficult time and
fighting to keep its leadership in
an increasingly competitive
market.

Its share of the world market
is falling and people in the
industry see it as going through
a period of stagnation. Seven
years ago India had a 38.6 per
cent slice of world production
and 30.1 per cent of the world's
exports. Last year
these shares had fallen to 30.8
per cent and 23.1 per cent
respectively.

In 1980 India produced a
record 372 million kg, but in the
following year production fell to
361 million kg. It is estimated
that it rose slightly to 365
million kg in 1982.

India's performance needs to be
seen in relation to world
production, which has increased
every year since 1970. China's
production, for example, went
up from 303.75 million kg in
1980 to 342.5 million kg the
following year and 370 million
kg in 1982.

India regained its position as
Britain's largest source of tea in
1982, having lost it to Kenya in
1981. There has been a remark-
able rise in Indian tea exports to
the Soviet Union, now the
biggest customer. Four years
ago Britain bought 51 million
kg of India tea and the Russians
had 40 million kg. Two years are
the lowest for the period
later Britain's purchase was

down to 39.5 million kg, while
the Russians imported 78
million kg.

India's production difficulties
are caused partly by what the
industry call its "disorganized
sector." The "organized sector"
runs the large and successful
gardens and is increasing its
output, but the "disorganized"
part of the industry - small
businessmen who have entered
it in the hope of quick profits
and who do not have the skills
and knowledge of the tradi-
tional growers - are paying a
price in falling production for
their lack of expertise.

Many of the gardens in
Darjeeling, West Bengal, are
run by these relative new-
comers. Industry sources say
that these men do not have the
"feel" for tea which the original
British planters developed and
which has been inherited by
those who work for the large tea
houses. About three fifths of the
industry, especially in Assam
and Southern India, are run by
the "organized" sector.

Assam produces about 60 per
cent of all India's tea and the
industry there is obviously a
vital one. The eruption of
volcanic this year, which has
claimed thousands of lives, has
not affected production because
many of the plantation workers
are from Bihar and Andhra
Pradesh and have not been
involved in the intricate
disputes and settlers issue.

Nevertheless, there is anxiety
that tea garden workers could
be drawn into the troubles of a
volatile state.

Meanwhile, the violence has
caused severe transport prob-
lems. Many bridges have been
burnt and roads have been
blocked.

The overall downturn in
production is partly the result of
drought which has hit output in
South India. Producers also
point to increasing labour and
fertilizer costs, the fall in selling
prices, high taxes and export
restrictions.

In spite of their financial
difficulties, many tea growers
feel that an industry so impor-
tant to India's economy is bound
to improve production pro-
vided the Government is
sympathetic to calls for sub-
sidies and reduction of taxes.

Research is being intensified
in the search for better yields,
and machinery is being im-
proved gradually. The industry
is also seeking to instruct
planters, especially in the
"disorganized sector", in man-
agement skills.

Trevor Fishlock
New Delhi Correspondent

SRI LANKA

**Change in
image, if
not flavour**

Colombo retained its position
as the world's largest tea
auction centre last year but sales
amounted to 179.2 million
kilos, compared with 198.7
million kilos in 1981.

Production was 187.8 million
kilos, the lowest since 1962,
when the country produced
238.7 million kilos. Figures for
the first two months of this year
are the lowest for the period
since 1959.

WORLD TEA PRODUCTION

(1982 exports in brackets)

	1980	1981	1982
Asia			
India	571,681	561,820	566,571 (185,900)
Bangladesh	40,037	41,267	40,283 (34,415)
Sri Lanka	181,375	210,148	187,818 (181,000)
Indonesia	79,708	86,508	70,000 (60,000)
China	303,750	342,500	370,000 (35,000)
Taiwan	24,479	25,223	25,000 (14,500)
Iran	20,000	20,000	20,000 (2,000)
Japan	102,305	102,304	102,000 (2,500)
Malaysia	4,003	3,058	3,200 (850)
Turkey	95,888	41,166	40,000 (4,000)
Vietnam	5,000	6,000	6,000 (7,800)
Total	1,488,207	1,440,111	1,430,980 (587,765)
Africa			
Burundi	1,455	2,226	2,000 (1,700)
Cameroon	1,878	2,000	2,000
Kenya	89,893	90,941	96,033 (80,800)
Malawi	29,915	31,955	38,482 (37,500)
Mauritius	4,386	5,072	5,000 (4,500)
Mozambique	19,500	22,190	21,000 (18,500)
Rwanda	7,000	7,000	7,000 (5,500)
South Africa	6,300	6,807	7,000
Tanzania	17,087	15,898	16,280 (14,500)
Uganda	1,533	1,672	2,387 (1,198)
Zaire	5,000	5,000	5,000 (3,000)
Zimbabwe	9,954	10,286	10,500 (8,500)
Total	193,901	201,057	212,582 (173,498)
Soviet Union	128,800	136,500	140,000
South America			
Argentina	34,000	30,000	30,000 (26,500)
Ecuador	3,707	10,000	10,000 (8,500)
Ecuador	2,000	1,700	2,000 (1,800)
Peru	3,000	3,000	3,000 (100)
Total	48,707	44,700	45,000 (35,800)
Papua New Guinea	8,007	8,988	8,351 (7,000)
Other Countries			(300)
Grand total	1,818,822	1,822,878	1,834,913 (804,483)

Source: International Tea Committee, London (ITC Estimates have been inserted where figures are not available)

Sri Lanka's tea industry may
never recover from the shocks
and stresses of nationalization
in 1975, when many experi-
enced planters sought employ-
ment elsewhere. Large areas of
tea were broken up and
entrusted to cooperatives or
were taken out of cultivation for
the expansion of villages.

Another setback to the tea
industry has been the exodus of
skilled workers of Indian origin.
In 1964 and 1974 the Indian
and Sri Lanka Governments
signed agreements on the future
of about one million workers of
Indian origin on the plan-
tations. Sri Lanka would grant
citizenship to 375,000 people
and India would take back
about 625,000, more than half
of whom have already gone.

The present and last Sri
Lanka Governments have tried
to revive the industry, which
remains the country's highest
source of foreign exchange, with
incentives ranging from gener-
ous subsidies for replanting or
new planting to special con-
cessions for export to tea bags
instead of bulk. However,
efforts to improve output and
quality have been largely
negated by a deterioration in
pruning, plucking, soil conser-
vation and fertilizer applica-
tion.

The Tea Research Institute
has pointed out inadequate
supervision and the shortage of
experienced and trained labour
as the main causes of poor
performance, even in replanted
tea areas. With Sri Lankans
taking the place of Indians
many estates suffer from absent-
eeism, and this has also
affected the maintenance of
proper plucking rounds and the
harvesting of leaf.

Despite efforts by the United
Nations Conference on Trade
and Development (Unctad) and
meetings between producing
countries in recent years, no
agreement has been reached on
proposals to limit production
and regulate exports through
quotas. Sri Lanka and India are
in favour of such action but the
new producers in Africa, which
are increasing output, are
against.

Fortunately for the industry
and the national exchequer,
there have been boom prices
recently. The average price at
auctions this year has been
between 30 rupees and 35
rupees per kilo. Last year's
Colombo auction average was
18 rupees.

Shortages in other producing
countries, the unrest in Assam,
where both planters and work-
ers have left, the gradual
devaluation of the Sri Lankan
rupee, and the steep increases in
the costs of other beverages are
seen as the main causes of the
higher prices, but none of these
factors is likely to prove
enduring. In his Budget speech
last month Mr Ronnie de Mel,
Minister of Finance, said it was
essential to take the fullest
advantage of the prevailing high
prices by increasing produc-
tivity and improving the
quality of Sri Lanka's tea.

The prospects for the tea
industry in the immediate

TEA

year. Present production is a
small fraction of that, but
Mitchell Cotis, a British firm, is
gradually restoring the exten-
sive tea holdings seized from
them in 1972 as part of
President Idi Amin's "economic
war".

Last year, in fact, was a
reasonable one for the East
African tea producers, who saw
world market prices recovering
nicely from the depressed levels
from the previous four years.
Recent London market prices
for quality teas have been well
above those of a year ago.

Marketing systems vary.
Kenyan tea producers, for
instance, must contribute 15 per
cent of their output to the local
market at prices which are fixed
well below world levels. This
system is understandably un-
popular with the growers.

The rest of Kenya's output
goes mainly to the Mombasa
and London tea auctions, or in
private treaty sales to the
European continent. Small
quantities are also sold these
days on the newly-established
Singapore auctions, which serve
the South-East Asian and
Australian markets. Still more
is sold offshore - auctioned
while it is afloat.

The tea industry is under-
going important changes: more
and more tea is being shipped
from Kenya in containers,
which can be moved direct
from the big estates to big
buyers in Britain at substantial
savings in transit time and
costs.

With containers, tea can be
shipped in paper sacks, instead
of in the traditional tea chests.
This gives big cash savings, as a
paper sack costs less than a
third of the cost of a tea chest.

Kenya also exports a small
quantity of blended tea in
packets to other African mar-
kets. The advantage of this
trade is that it brings in a higher
net return. Tea bags are also
manufactured in Kenya, mainly
for the local market, and a small
quantity of soluble ("instant")
tea is also produced, for both
the local and export markets.

Important developments are
taking place in tea cultivation in
Africa. Better husbandry and
the selection of improved
strains of tea are improving
yields. Ten years ago Kenyan
estates were happy to get 2,000
kilograms of tea per hectare;
now they look for 2,500
kilograms. And individual Afri-
can farmers, who are able to
give the closest of attention to
their crop, can get up to 4,000
or 5,000 kilograms per hectare.

Perhaps the most outstanding
development in tea production
has been the use of clonal
techniques to reproduce tea,
rather than the traditional use
of seed. Clonal tea can be more
carefully selected to reproduce
the best strains, and this system
of propagation is being used
widely today.

Charles Harrison
Nairobi Correspondent

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مركز من الادوية

SPECTRUM

Tourists and brass bands helped Hitler to create detailed plans for an invasion of Ireland, described in the second extract from a new book by Robert Fisk

The Nazis' Irish guidebook

In the summer of 1940, few people outside Ireland could have had a more detailed knowledge of the Irish border than the cartographers of the Wehrmacht's Department for War Maps and Surveys in Berlin. Their *Militär-geographische Angaben über Irland* (*Military Geographical Data on Ireland*) was produced for German invasion troops and contained relief maps and diagrams of the country's military bases, railway system, electrical grids, airfields, factories, gasworks, canals, rivers, mineral deposits, population density and townlands. It was a formidable piece of work, buttressed by an impressive volume of photographs and a 78-page green-covered booklet on Eire and Northern Ireland.

Seventeen pages carried thumb-nail sketches of 233 cities, towns and villages on both sides of the Irish border and one map even outlined in black and grey shading those parts of the island that were Irish-speaking. A mass of tiny illustrations - of aeroplanes, ships, cotton reels, oil lamps and gasometers - were clustered around Belfast, generously symbolizing the Northern Ireland capital's aircraft, shipbuilding and textile industries, its refineries and power plants. "English brutality, which led to a decline in the Irish population, has constantly fed the flames of Irish hatred", the authors of the booklet told their Wehrmacht readers. "Even before the Great War the Ulster people, English in their attitude, directed their attacks against the fanatical struggle for independence of the Catholic Irish in the Home Rule movement, which then led to the separation of Northern Ireland when the Free State was established..."

The recipients of this brisk historical analysis were to be the men of the 4th and 7th German Army Corps under General Leonhard Kaupisch, who in August 1940 was ordered to prepare detailed plans for an amphibious operation against Ireland. The idea's originator appears to have been the newly-promoted Field Marshal Feodor von Bock, whose Army Group B, having distinguished itself in the attack on Poland the previous September, had just pushed the British and Belgian armies back to the Channel. Army Group B was now entrusted with the western flank of Operation Sealion - the invasion of Britain - and given the task of securing a beach-head between Weymouth and Lyme Regis. Kaupisch's offensive against Eire was to be an integral part of the attack on England.

The plans for the invasion of Ireland, classified "Top Secret" and "Very Urgent", were distributed in 32 copies by the German High Command on August 8, and at least one set of these instructions - still in its brown envelope bearing the wax seal of the German eagle and swastika - survived the war. It shows that the invasion of Ireland, codenamed Operation Green - *Fall Grün* - was to have been a bold and extremely hazardous affair.

From the French ports of Lorient, St Nazaire and Nantes, an initial force of

3,900 troops was to be landed on an 85-mile front along the south-east coast of Ireland between Wexford and Dungarvan. Having captured the small harbours there - an enterprise which the High Command considered easy "since no substantial resistance is expected in Ireland" - lightly armed infantry and commando units were to fight their way up to 30 miles inland. Operation Green proposed that the front line of this bridgehead would run from Gorey on the Wexford-Dublin road, across the 2,610-foot height of Mount Leinster above Borris in County Carlow, through Thomastown, County Kilkenny, to the small market town of Clonmel in County Tipperary and thence to Dungarvan.

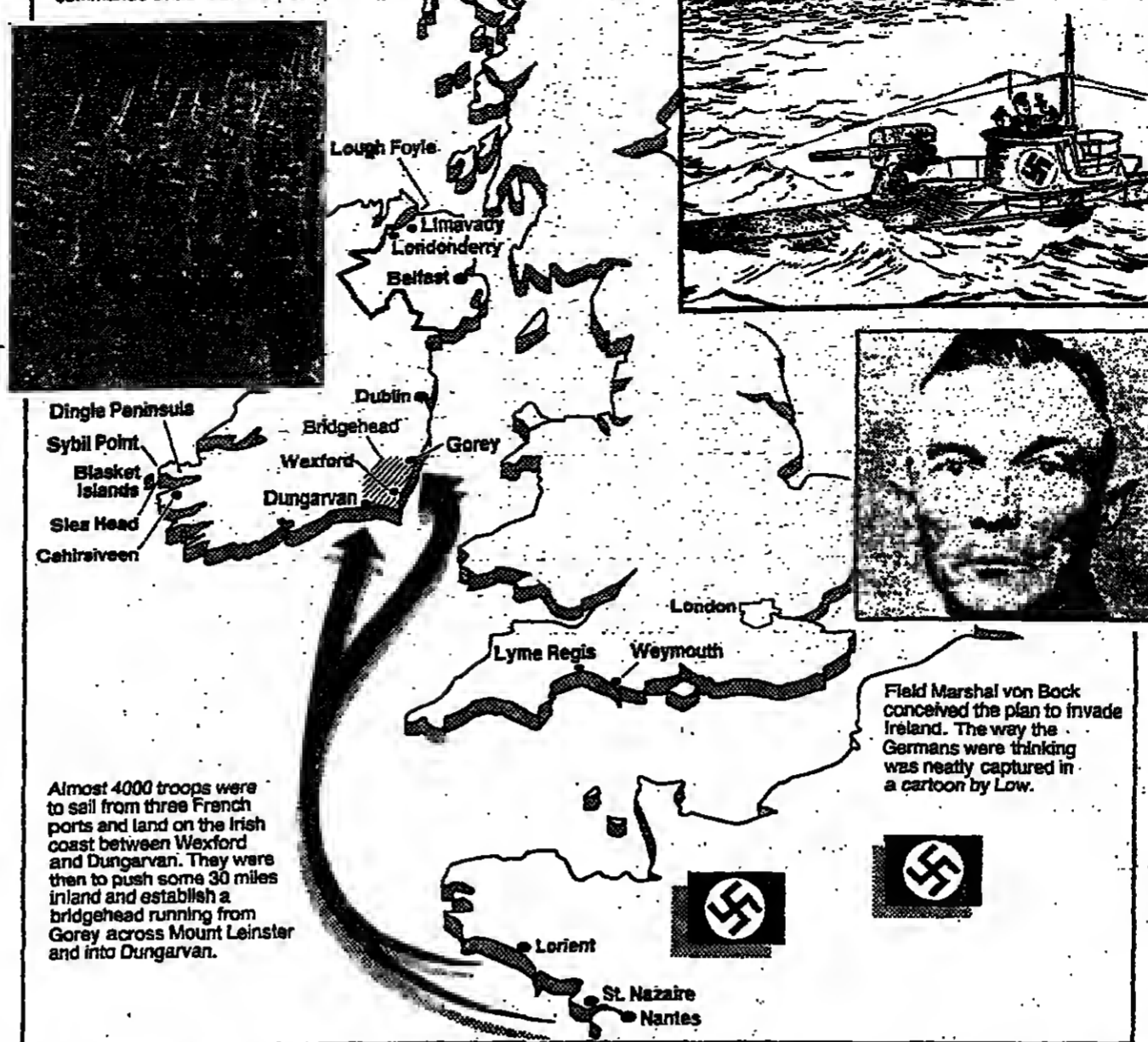
Artillery and commando squadrons and a motorized infantry battalion were to take part in the first landings along the Irish Coast. A bridge-building battalion, three anti-aircraft companies and several "raiding patrols" - to probe Irish military defences - were also to be included in the initial assault, while reserves from the German 61st, 72nd and 290th Divisions were to take up occupation duties in the Gorey-Dungarvan bridgehead once it had been established. A limited number of horses would also be carried aboard the invasion craft.

But there was a fatalistic if not doomed quality about the invasion plans. The German naval officers who were to transport the troops from France to Ireland could not have been comforted by the instruction that "preparations for landing in England must be given priority over the Ireland (Green) operation." They were told that French vessels with French crews, as well as local fishing boats, German naval tugs and ferries could be used for training the assault troops, but that such ships were "scarce". Indeed, when the German Navy began its search for suitable vessels around the ports of north-western France, they found only two steamships - the French *Versailles* and the German *Eule* - together with three small coasters, the *Meibello*, *Clio* and *Franzine*. This was a poor start for an operation that would involve up to 50,000 men.

The High Command anticipated that there would be communication difficulties between ships during the long crossing to Ireland and from ship to shore after the first invasion force had landed; they recommended the use of "lamp signals, signalling rods, megaphones, etc" while observing radio silence. Special life-saving equipment would be carried aboard the invasion craft and Kaupisch's planners were warned "to avoid taking the crews of sinking vessels onto fully-manned ships, since this would place them in danger of capsizing". Every vessel was to carry anti-aircraft weapons and constitute a self-contained fighting unit. Clearly the High Command expected the Royal Navy and the RAF to intercept its Irish invasion fleet.

German troops of the invasion force would be covered by the Luftwaffe's West of France Air Command and - so far as sea defence was possible - by warships of the German Navy from Brest. The plans for Operation Green frankly admitted the possibility of

The helmets look German but the troops are Irish. The Nazi generals expected "no substantial resistance" and planned to use lightly-armed infantry and commando units in their assault.



Almost 4,000 troops were to sail from three French ports and land on the Irish coast between Wexford and Dungarvan. They were then to push some 30 miles inland and establish a bridgehead running from Gorey across Mount Leinster and into Dungarvan.

Field Marshal von Bock conceived the plan to invade Ireland. The way the Germans were thinking was neatly captured in a cartoon by Low.

failure, in which case "landing at another point must be attempted". Withdrawal should take place "only in an extreme state of emergency".

Only three German divisions would take part in the first stages of the Irish invasion: 40 were scheduled to participate in Operation Sealion. It is possible that the German High Command never seriously intended to invade Ireland and there is evidence that they deliberately publicized Operation Green to stretch British defence preparations in advance of Sealion. Major General Walter Warlimont, Deputy Chief of the Wehrmacht High Command's operations staff, noted that on June 28 an instruction was issued "to the effect that in order to mislead the enemy 'all available information media' should spread the word that we were preparing a landing in Ireland to draw the net around England tighter and reinforce the 'siege'". But the extent of the planning and the distribution of the Green documents suggest that the Germans were contemplating a real landing in

radio traffic that suggested the British themselves were about to attack Eire. On December 3, 1940, he ordered Admiral Raeder's naval staff to investigate the chances of occupying Ireland. According to the record of that day's Führer Conference, Hitler believed that "a landing in Ireland can be attempted only if Ireland requests help. For the present our envoy [Eduard Hempel, German minister in Dublin] must ascertain whether de Valera desires support and whether he wishes to have his military equipment supplemented by captured British war material...which could be sent to him in independent ships...the occupation of Ireland might lead to the end of the war."

In fact, the Germans had already offered de Valera's government quantities of British guns captured at Dunkirk - the Irish prudently turned them down - and all Raeder's men could offer Hitler was the possibility that German blockade runners carrying weapons and ammunition might get through to Irish ports in the winter

community founded upon equality for all, but associates with this an extraordinary personal oed for independence which easily leads to indiscipline and pugnacity..."

The handbook also contained an extremely detailed description of the Ardarausha power station on the Shannon, together with a map and diagram that was presumably furnished by the German architects who designed the plant. The list of Irish cities and towns which the volume included was an amalgam of population figures and industrial geography although it failed to mention important military details. Tiny villages like Ballyhaunis ("County Mayo, 1,102 inhabitants") and Dalkey ("County Dublin, 4,135 inhabitants, bathing and residential area on southside of Dublin Bay, station and garage") were awarded a place in the list although Castletober in Cork, the nearest mainland berth to the military harbour at Behavevan, was omitted.

Some of the information was absurd. The German authors disclosed, for instance, that Magherafelt in County Londonderry was "a town with a big rectangular market square in the centre from which roads go to the north, south, east and west directions", an observation that was unlikely to be of immediate use to a German tank commander under fire. Other facts were tantalising in their obscurity. In Dublin, for example, there was a "project for a munitions factory, unknown if completed yet" in which a German officer would be more interested than the whereabouts of the Guinness brewery or the Jacob's biscuit factory.

The separate volume of photographs that accompanied this booklet contained 120 illustrations, most of them copies of postcards or newspaper pictures. These may have given the German Army a general idea of the sort of country they were invading but would have been of little military use.

Picture 19, for instance, shows a thatched cottage in the Kerry mountains outside of which a hen, two cows, an old woman in a long skirt, a small boy and a man in a bowler hat stare suspiciously at the camera. The caption announces: "People and animals often live together in one or two-roomed huts when there is no stable." Picture 74 is even less instructive. Captioned simply "Bogland in County Roscommon", it depicts a moss-covered wall amid mud and puddles, all partially obscured by heavy rain.

None of this material was likely to commend itself to diligent members of the Wehrmacht. The photographs of Ireland's cities might have proved

The plans show that Operation Green was to have been a bold and extremely hazardous affair

the south-east of Ireland, if only to draw off British troops in Northern Ireland who might otherwise be sent to southern England to oppose Sealion.

There can be little doubt that the Germans did eventually plan to occupy the entire British Isles, and when their newly-formed Military Economic Staff for England - *Wehrwirtschaftsstab England* - met at the beginning of September 1940, they included Dublin among the six German administrative headquarters that were to have been set up in the two islands. Kaupisch continued his preparations for the Irish invasion throughout September, and only in mid-October - when Sealion had been postponed - was he allowed to slow the pace of his exercises, continuing them only as a pretence.

In the following month, however, Hitler took a personal interest in an invasion of Ireland, prompted perhaps by an Abwehr interception of British

months "as long as there is still no state of war between Britain and Ireland and as long as the Irish cooperate".

Irish neutrality was to be respected and a landing made there only at de Valera's request. But the idea of an invasion was not yet dead. An attack on the island was to be considered by the Germans on two more occasions, and throughout the rest of 1940 and the following two years German printers at the Institut Cartographique Militaire in Brussels produced thousands of copies of their maps and literature for German soldiers in Ireland. *Military Geographical Data on Ireland* presented a uniquely Teutonic view of the country with a mass of generally accurate but frequently useless facts and statistics and a characteristic interest in Irish racial stock. The Irish, it disclosed, were "a mixture of western and Nordic components... the Irishman supports a

Abridged from *In Time of War* by Robert Fisk, published by André Deutsch on April 25, price £25

The last time I saw Venice . . .



Miles Kingdon is on holiday. As I write this, I am sitting at a cafe table in Venice. Well, no, that is not strictly true. As you read this, I am sitting at a cafe table in Venice. I am actually writing this at a desk in Notting Hill before I leave for Venice on a week's holiday, so that next week (or now, as you would call it) I don't have to sit down in Venice and write a piece.

Of course, I could simply have taken a week's holiday from *The Times*, but unfortunately I forgot to warn my editor in time for him to find a replacement. It was all so much easier when this column appeared on a page with the obituaries, where they could simply find more people who had recently died to replace me with. Apparently this page

doesn't work like that. As it is, here I am writing a piece instead of being on holiday. But at least there is one advantage to this.

Since I have not gone to Venice yet, I cannot write a piece about Venice. As I sit now at my cafe table, I reflect that as I wrote this piece several days ago, you are spared yet another outpouring on the wonders of Venice, the shame of it sinking into a sea and the greatness of Cipriani's Hotel on the Lido. Who wants another piece about Venice?

And there is a great difficulty in writing about Venice, apart from the fact of not having been there, as I have not, and that is the difficulty of finding an opening sentence. Venice seems to bring out the opening sentence in writers. Was it not Thomas Mann, of *Death in Venice* fame, who opened that depressing guide book with the

MOREOVER . . . Miles Kingdon

words "Streets full of water. Please advise"? Or was it perhaps Robert Benchley?

Much earlier, the great French humorist Alphonse Allais opened a dispatch from Venice with words that bring back the Victorian era with a sharp shock. "The most striking thing that greets one's first arrival in Venice is the complete and utter absence of the smell of horse manure." It is hard to rival that as an opening. We are used to seeing great European cities full of water these days (last week it was Cologne that was suddenly full of impromptu canals) but the absence of something that is what I should aim for.

I am told by people who can't stand Venice - a secretive but

strong minority - that the most striking thing about Venice today is the complete absence of Italians. That the only natives one sees are those employed to service the tourist armies, and that they all go back to the mainland at night. This may or may not be true, and as I sit here at my cafe table, I have probably worked out the truth or otherwise, but as I said, I am not here yet.

When I said I had never been to Venice, this was not quite true. When I was in my early teens, my father took us all on a trip to northern Italy, but all I can remember from that earlier visit was the complete absence of steam trains, of which I was inordinately fond, and the high quality of the ice creams. It isn't much to build a knowledge of

Venice on, especially as I now see from the map I bought at Stamford's this morning that there is a large railway station in Venice and that if only I had known where to look I would have found any amount of steam trains.

Looking back, I suspect that my father knew, but didn't tell me. My passion for steam engines used to interfere with holiday plans considerably. When we went to Paris he wanted to go up the Eiffel Tower and I wanted to go to the Gare St Lazare. When we went to Edinburgh one year, I took a train out of Edinburgh to Inverkeithing and back so that I could go across the Forth Bridge twice.

Anyway, as I sit here at the table of the buffet in Venice Station - but I am not sure if my present companion will want to spend a morning at

Venice Station, even if I try to persuade her that it is worth seeing the Orient Express arrive, or that I might get a good opening line out of it. Railway station full of water. Please advise. Complete absence of smell of steam. Venice - gateway to the mainland. . .

I am not sure I ought to write a piece about Venice at all, even when I have come back and am, after a week there, an expert on the place. I am reminded of that greatest of all openings to all travel books, *By Rocking Chair Across America*, by Alex Atkinson and Ronald Searle. It starts:

"Most travel books about America are written by people who have spent a mere few weeks there. This one is quite different. It is written by someone who has never been there in his life."

Quite so, Walter, another Campari and soda, please.

CONCISE CROSSWORD (No 42)

ACROSS

- 1 Dedicant (6)
- 2 Percussion instrument (6)
- 3 Bone (4)
- 4 Openwork (8)
- 5 Lacquered (8)
- 6 Ugly woman (3)
- 7 Printed cotton (6)
- 8 Tub (6)
- 9 Piston (3)
- 10 Compress (8)
- 11 Sleeplessness (8)
- 12 Couch (4)
- 13 Brief look (6)
- 14 Cuts grass (4)
- 15 Defamed (6)

DOWN

- 1 Smear (4)
- 2 Wenton destruction (9)
- 3 Impish (5)
- 4 Sweet liqueur (5)
- 5 Cuts grass (4)
- 6 Artery (5)
- 7 Mexican Indian (5)
- 8 Male duck (5)
- 9 Zodiacal forecast
- 10 Small amount (5)
- 11 Small person (5)
- 12 Ripped (4)
- 13 Inevitable result (4)
- 14 Wary (8)
- 15 Lycee (9)
- 16 Applaud (11)
- 17 Phasche (13)
- 18 Laid (15)
- 19 Flat (19)
- 20 Mail (22)
- 21 Cassock (23)
- 22 Wages (24)
- 23 Oink (25)
- 24 Larders
- 25 Down (2)
- 26 Races (3)
- 27 Vic (4)
- 28 Leatherjacket (5)
- 29 Wopt (6)
- 30 Realizer (7)
- 31 Elope (10)
- 32 Dank (12)
- 33 Lich (14)
- 34 Dis (15)
- 35 Amnesia (16)
- 36 Epic (17)
- 37 Flesh (20)
- 38 Waa (21)
- 39 Pope (23)
- 40 Waa (25)

SOLUTION TO No 41

ACROSS: 1 Gravel 5 Wary 8 Lycee 9 Applaud 11 Phasche 13 Laid 15 Accordion 18 Flat 19 Mail 22 Cassock 23 Wages 24 Oink 25 Larders

DOWN: 2 Races 3 Vic 4 Leatherjacket 5 Wopt 6 Realizer 7 Elope 10 Dank 12 Lich 14 Dis 15 Amnesia 16 Epic 17 Flesh 20 Waa 21 Pope 23 Waa

م ١٣٥٠ / ١٣٥٠

WEDNESDAY PAGE

JOANNA LUMLEY'S DIARY

Whatever would Noel have said?

The rehearsal room is the colour of raspberry yoghurt: a great elephant-coloured curtain hangs over one wall in heavy stained folds, finally drooping sadly on to the mantelpiece.

A bit of a palaver to go to the lavatory, though: it involves keys and padlocks and the car park. I don't forget to lock the door when you leave in case someone tries to steal the aging Adamant fixtures, or worse still, uses them. Bring your own paper, but the rehearsal room

wearing trousers (for aforesaid rehearsals in scruffy puh room). I was completely in the wrong, of course, but I wish he hadn't looked so wintry as I snattered my apologies. The same day, I received a letter addressed to Miss Lumley which professed to be a personal invitation to bring a dinner party. It urged me to bring my wife. What's a chap to do?

Because my old vacuum cleaner (a reconditioned job painted milky green) had started to blow instead of suck, I went out and spent a king's ransom on a new one. The advertisement shows a girl fairly shimmering about the house in a short skirt, and with the many detachable appliances she is able to extract filth from every conceivable crevice - she even Hoovers the curtains. I unpacked the main body of the machine (rather larger than I had expected), fitted the plug and off we went. My, what power! Little unexpected grains of sand sprang up from the carpets and bobbed and filtered in anticipation of being swallowed. I noticed a height adjuster, with pictures denoting length of carpet, bald, crew-cut and waving corn. I snapped it on to medium and set off behind the sofa. The machine, however, had spotted the long-haired rug and seized it with a roar, chewing and growling until its jaws were full.

I disentangled it, switched it to cornfield and followed it down to the junk room. I got at the side of a pile of newspapers, nipping little pieces off and devouring them instantly, and two nice safety-pins disappeared before I could bend down to grab them. I clicked it on to bald and went into the kitchen. It has a special bald attachment on a limp oesophagus (but it was difficult to control; I found I had to hunch right over and creep about like Quasimodo, steering it while it feasted on onion skins and rubber bands. It was only when, scooped and exhausted, I crammed it into the tiny broom cupboard that the long stiff tube, which ought to have gone 'twixt mouth and oesophagus, toppled slowly out. It isn't what you do, it's the way that you do it.



does have three coffee spoons and an electric kettle. You can see through the piano, as its panels have fallen off and the pedals are missing. Every day we strive to reconstruct the elegance and gaiety of Noel Coward and Gertrude Lawrence; as we scuffle through the dust, we smooth our imaginary evening dresses and push our hands into the pockets of phantom dinner jackets. It was ever thus, and I suspect it will be ever thus. Simon Cadell, like Coward, turns up to a suit; I wear my oldest clothes, I am ashamed to say, but that's only because I have no suit on the floor.

I met Simon Cadell on a train one Monday two years ago. We spent four hours in a first class compartment arguing, declaring our love for each other, throwing things, hugging then more arguing; that night we did it all again in front of an audience, and the play was Private Lives. The Friday before, a serious leg injury had felled James Killian, who was playing Elvira on Saturday. I went on with the gallant understudy, while London was combed for a replacement. Cadell was alerted on Sunday by some miracle, he learned the three-act play in a day and our only choice to run the lines was during the journey north.



What an extraordinary evening, intercalated with terror, we placed through the show, perfect strangers in front of a packed house, watching each other like hawks. Neither of us can remember much of what went on, but we have already started to entertain the tale. Simon, justifiably, is shrinking the span time he had to learn it ("Quarter of an hour with the book, then 'beginners, please'"); and so have I ("... and onto the stage came a man I'd never met before in my life..."). But it's still a grand story.

Much against my better judgment, I agreed to stick my nose into El Viva to see if I could track down a colleague on a literary affair of some urgency. A man with a Baxeman expression showed me hurriedly to the door because, under my beautiful dark blue wool Jean Muir coat, I was

A hitherto undreamed-of occasion for playing The Murderer Winks (I described the rules two weeks ago): on stage, during performances of long, slow-paced Shakespearean dramas. Apparently it's an old favourite with actors. Of course, discretion is de rigueur: the winks, must not be spotted by the audience, and the deaths have to be reduced to clucking your chin on to your chest for a moment.

Friday: Shirley Lowe interviews Lana Turner about how stardom upset family life



Foxed: rejected candidate Hugh Simmonds and family

Paul Pickering meets a female master of foxhounds who galloped in pursuit of human quarry - her local prospective Conservative candidate



Hunter: Lady Crossman of the Cambridgeshire Foxhounds

A-hunting we will go

The head of a large hare hangs on the wall behind her ladyship. It wears the puzzled expression of a creature who is about his own business one minute and the next finds himself fastened to a board in a comfortable drawing room of a Queen Anne country house. Lady Crossman, senior joint master of the Cambridgeshire Foxhounds points out her favourite trophy, a snarling fox head by a window looking out on the family's 500 acres: "There is nothing better than a good hunt," she says with a smile.

had. We used to hunt jackals of course," Lady Crossman was a Foreign Office cipher clerk and worked in Morocco and Beirut before eventually meeting Sir Peter in Cairo, where unfortunately there was no hunting. Since the turn of the century women foxhunters have enjoyed equality with men: "My mother was a pioneer," said Lady Crossman who employs three full-time hunting staff. "We kill 25 brace of foxes a year," she adds proudly.

Another sort of kill brought Lady Crossman and her husband Sir Peter into the news last week. They flushed a Conservative prospective political candidate Hugh Simmonds from cover when they heard his wife was a member of the League Against Cruel Sports and they savaged him ferociously. His adoption as a candidate, which he thought a formality, was promptly blocked, proving that pre-Tebbit Tories of the shires still have elbow. One almost expected to find the bemused Mr Simmonds's head on the wall by the hare.

Most huntsmen are keen conservationists: "I love to see a fox, especially nibbling at the blackberries. I like watching a litter of cubs playing in the summer," said Lady Crossman. "I don't applaud on seeing one killed, but if it is killed fairly and squarely, by the rules and by the hounds, then I am pleased, partly because I am attached to the hounds. It is a paradox.

Mr Simmonds still cannot believe what happened. "I was not merely astounded but stunned. What they wanted was an MP and his wife who would gallop to hounds. I tried to explain my view to Sir Peter and Lady Crossman for three quarters of an hour. The decision is not a reflection of the constituency, which is one third industrial."

"We are cousins," said Lady Crossman, aged 66, who married Sir Peter, 73, just before the last war. They spent the rest of it trying to get together, hunting all the time: "I was sent to Palestine with the cavalry," said Sir Peter. "I used to ride with the Rowle Vale pack, the only one in Palestine. Then there was the Exodus foxhounds out of Bag-

His wife Janet added: "I don't

head. We used to hunt jackals of course," Lady Crossman was a Foreign Office cipher clerk and worked in Morocco and Beirut before eventually meeting Sir Peter in Cairo, where unfortunately there was no hunting.

COMMENT

Is a miss as good as a sir?

Most children do not encounter a male teacher until the final year of their junior school, and sometimes not until their secondary school. In primary education a child is usually taught by one class teacher, normally a woman, every day. This means that for probably five years - about half of most children's school life - they are subject to a woman's views, attitudes, emotions and expectations.

One may argue that to a certain extent primary pupils need to be "mothered". I would argue that men are equally capable of providing affection and understanding as well as instruction, but have never been given the opportunity to show it.

Because a junior class has only one teacher the children observe all aspects of her personality and often get to know her very well. During these important, influential years, which shape a child's personality, probably for life, boys and girls are taught by women as the decision-makers, the ones who care (the friends), the ones who show emotions.

When a child enters the more formal secondary school, where most teachers are men, the male is seen as merely an instructor. Even if a child is taught by a male teacher in his junior school, the rest of the staff are likely to be women. If the head teacher is a man, he may be seen as distant, the one who dishes out punishment.

I believe all this influences the roles people adopt when they become parents. It is the mother who mainly cares for the children, as it was her female teacher (apart from her mother) who guided, disciplined and cared for her during those impressionable years. The image of the distant male similarly transfers from one generation to the next. When the boy becomes a father he sees his wife as taking the main responsibility for child care; his is a supportive role.

Until more males are recruited into junior education, and seen to be as caring and important as women, society will continually expect women to take responsibility for bringing up children. It is no wonder that so many fathers seem to show a lack of interest in their offspring.

There are other reasons, too. Many boys today come from homes without fathers. It is helpful for such a child if he can build a strong relationship with a male teacher. Otherwise he may spend the rest of his life distrusting men. When I permanently took over a class from a female teacher a boy from a broken home managed to establish a good relationship with me, and his work improved considerably. He became much happier at home.

Not all men enjoy sport, for example, and when there is only one male teacher in a school, the responsibility of boys' games falls on him whether he likes it or not. Older junior school boys seem to need a male teacher. I've observed many women teachers taking this age group. They don't deal with the boys' development, but appear to try to prevent it. They read the stories much too young for them. Women teachers tend to "mother" boys and perhaps this encourages them to become dependent on a woman rather than a man.

On a social level, from my experience, with more men in the staffroom there is a better atmosphere. When there are mainly women there seems to be a lot of bitchiness. (An all-male staff, of course, can be equally bad). Surely, it is important for the children's sake that a staff can get on with each other and work as a team. More male teachers would redress the balance.

Peter Riches

like foxhunting, but if someone wants to do it, that is up to them. We had thought Hugh's adoption was just a formality. Instead, the unlucky Beaconsfield solicitor glimpsed his party's killer instinct.

Politics is taboo: "We never ask anyone their politics." Could Tariq All ride with the pack if he wanted to? "One would know his views," said her ladyship darily. "The socialists want us to drag

Mr Simmonds still cannot believe what happened. "I was not merely astounded but stunned. What they wanted was an MP and his wife who would gallop to hounds. I tried to explain my view to Sir Peter and Lady Crossman for three quarters of an hour. The decision is not a reflection of the constituency, which is one third industrial."

There are no hunts behind the Iron Curtain

His wife Janet added: "I don't

There are no hunts behind the Iron Curtain

Of the several good reasons for envying the providers of food in any French household, the corner charcuterie is one of the best-founded. Even the meanest village has a wigwag where delicate rillettes with rosy products of the traditional pork kitchen. Among the patés and terrines, saignees, crepinettes and boudins there will be plain stoneware bowls of rillettes their meaty contents hidden under a layer of lard patterned with a fork.

Rillettes are the simplest of delicacies to make and one of the cheapest. A jet belly of pork cooked in its own fat until it literally falls apart. Towards the end of its long, slow cooking, the air is rich with the smell of pork, and it is almost an essence of the meat which is eventually raked into bowls or pots. Janet's wife would happily have fed on rillettes.

Jack himself would have been an happier with potted hog, an almost fat-free dish of shih of beef cooked to rags and set in its own beefy jelly. An old cottage recipe given by F Marjan McNeill in her classic book The Scots Kitchen, Its Lore and Recipes is almost identical to the one my family has used as long as any of us can recall.

THE TIMES COOK



Shona Crawford Poole

Pork and lean

far before the common way of cooking it."

Cut the pork into smallish cubes about 3cm (just over 1in) square and put them in a heavy based pot or casserole with the lard and three or four tablespoons of cold water. Cook the lean instead for about six hours. The right lean is just below boiling point and when the meat is done, it is meltingly tender. Not all the fat will liquefy.

Drain the meat from the liquid fat and reserve the fat. When the meat is cool enough to handle, shred it finely, using your fingers or a pair of forks to break it up. Return it to the pan with 150ml (1/4 pint) of the liquid fat, being careful not to include the stock. (This rich stock makes an excellent gravy base for another occasion.) Add the herbs, spices and salt to taste, seasoning the meat highly as the flavourings will fade a little when the rillettes are served cold. Cook the meat for another 15 minutes or so, stirring it from time to time to bleed and distribute the flavours.

Put the meat into sterilized pots or jars and press it down well with the back of a spoon. Cover with a layer of the fat previously strained off and leave until quite cold. When the fat has set, run another layer of fat over the top to ensure a good seal, and when that too has set, cover the jars with foil of plastic film. Store in a cool place, or the refrigerator. Carefully made rillettes will keep for up to six months.

So it was a couple of days after the first operation that the lab reported that a small section of tissue had proved malignant and they couldn't be sure they had got it all out. A radical mastectomy was advised. It was the only proven cure. I was told, and most women were so frightened of the disease they felt relief at knowing it had been cut out for ever.

It was such a little lump - the size of a pea... and a petit pois at that

"Hello? Oh, I'm very well, thank you. I had a touch of cancer last week, but I'm fine now. How are you?" This is not a sick joke. It is actually how I feel about this boggy disease - not much more than a bout of flu. But then I was lucky. I found it before it was too late. It was such a little lump, really. Only the size of a pea - and a petit pois at that. My doctor thought it could be dispersed by injection, but the consultant said not. If there were anything nasty there, the cells could be disseminated. It had to be cut out - a little operation, nothing to worry about.

So there was much sympathetic discussion - and that is one of the characteristics of Barts that make it such an outstanding teaching hospital: everyone from consultants to junior nurses, however busy and however overtaxed, was prepared to give time to listening as well as to doing - not an attribute of every NHS hospital.

Do they? I don't believe it. I could not have borne to meet myself in the bathroom mirror every day for the rest of my life and be disgusted by my mutilation. It has nothing to do with vanity or husbands or lovers, present or potential. It is a question of being comfortable with oneself, or wearing one's body without thinking about it, like a well-worn anorak.

THE TIMES DIARY

Red terror

Sir Harold Wilson has been touring the Soviet Union pouring oil on waters troubled by the tit-for-tat expulsions between London and Moscow.

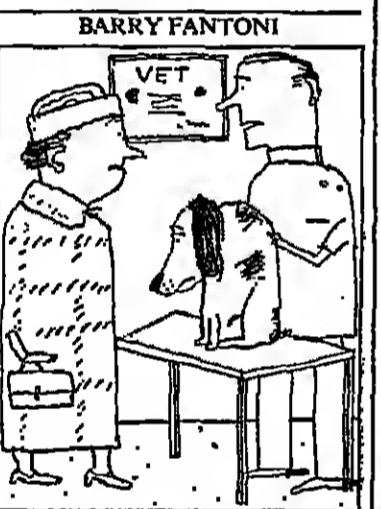
"Of course", he added, "you know all about Trotskyists, and as far as I am concerned you can have them back..."

Sir Harold also revealed his formula for not consuming too much vodka at Soviet receptions. He begins his toast: "I was once president of the Royal Statistical Society..."

Wormcatcher

I got to the office early yesterday, and so was the only person available to take a call from Des Wilson, chairman of Friends of the Earth...

A South American airline captain addressing his passengers before take-off: "Government regulations require us to warn passengers of our safety equipment..."



Barry Fantoni. "If he's only off his food, I suggest you give him a run with the Berkeley Hunt."

True to life

Twenty-three portraits of American rock stars are to be donated to the Theatre Museum's permanent collection, although the originals were destroyed by thieves who stole them in 1979.

Irish spoken here

A PHSou has been enjoying an Irish break in London. He started by arriving at King's Cross and finding a British Rail luggage trolley marked "For use only..."

Despite my modest desire for anonymity it is now an open secret that Mrs PHS is author, under her proper name, of Secrets of the Face, which is published tomorrow and tells all there is to know about Siang Mien, a 2,000-year-old Chinese system of reading character from the face.

Why can't a serviceman sue?

by Jack Ashley

On Sunday, November 16, 1980, Martin Ketrick, a 23-year-old fitness enthusiast, was abseiling down rocks in the Lake District.

He suffered a broken spinal chord, fractured skull and punctured lung. Now, three years later, he is a paraplegic, doubly incontinent and mainly confined to a wheelchair.

This was to have a profound effect on his financial future. Had he been able to prove in court that a non-commissioned officer had been negligent in cutting the rope before checking his safety...

The reason was that Section 10 of the Crown Proceedings Act, 1947, prevents a serviceman from suing the Crown or another serviceman for negligence.

This is an acceptable doctrine for servicemen in battle. When they sign on they incur and accept risks of serious injury or death in action...

Act fails to make the obvious distinction between the position of servicemen on the rare occasions they are in action and when they are not.

Section 10 of the Act is vigorously, but unconvincedly, supported by the Ministry of Defence. It claims that there is no reasonable and easily definable dividing line between military action and other activities.

Ministers argue that if a serviceman was allowed to sue for negligence it would endanger discipline. But discipline has little or nothing to do with legal redress.

When they sign on they accept risks of serious injury or death in action. But it is a monstrous deprivation of rights in normal times.

There is no reason to believe that discipline would be affected if an injured serviceman had the right to sue for negligence. But to buttress the discipline argument, ministers claim that conferring such legal rights would create anomalies...

As a last resort, ministers point out that servicemen may not be able to prove negligence. Maybe not. But perhaps some of them can, and that should be for the courts to decide.

In Martin Ketrick's case, a senior NCO was severely reprimanded for his part in the accident. While that is not conclusive proof of negligence...

Section 10 was enacted in 1947, just after a devastating world war, and it is perhaps understandable that individual rights were not accorded the highest priority.

Ministers should seek forthwith the restoration of the legal right to sue for negligence, except during military action.

The author is Labour MP for Stoke, South.

Bernard Levin: the way we live now

Pass the broken phone, I want to pray

I see that British Telecom is about to offer the public the consolations of religion in the form of a Dial-a-Prayer service.

Other, more glibly, folk believed that when the telephone and postal services were separated, one or the other, or even both, would become, if not efficient (too much to hope for), at any rate less implacably indifferent to the wishes of the paying public.

There is a crucial qualification in that paragraph: it is the people who run the thing who can't be bothered to work for their wages.

My telephone problem, incidentally, is hardly the most intractable ever heard of the damaged instrument is the plug-in type, so all they need to do is to bring a new handset and plug it in.

John Curtice of Nuffield College, Oxford, and Michael Steed of Manchester University think that the SDP is better placed to win a higher proportion of seats than was originally thought.

The comparison revealed that the SDP was allocated a disproportionately large number of constituencies in which the major party holding the seat had a relatively small share of the vote.

If the balance between the major parties remains level in the SDP contests, the proportion of the vote necessary to win will be lower than in seats where an Alliance

customers is identical whatever the nature of the need: amusement, tinged with genuine outrage, at our presumption. This, of course, is the attitude they clearly took with them (leaving plenty behind) when they left the Post Office.

Do not comfort yourself with the thought that these attitudes are the exclusive province of the public sector, or if you do, allow me to introduce my laundry, high Brook Green, of west London.

I find myself writing notes of thanks to accompany my payment of the bill - merely because I have got what I paid for.

Why? I must brace myself, in giving a tentative answer, for barrow-loads of accusations that I wish to send small children up chimneys (first inducing rickets in them) and revive the practice of flogging miscreants at the cart-tail before having them transported to Australia.

Professor Ivor Crewe (centre): did he get it right in weighing the balance between supporters of David Steel and Roy Jenkins?

candidate is starting from second place in what is effectively a two-party fight. Curtice and Steed vie with 33.4 per cent of the vote in a three-and-a-half party contest.

The SDP negotiators were working with the help of an analysis written by Professor Ivor Crewe of Essex University of opinion polls in 1981 covering 40,000 voters.

They suggest that local Liberal negotiators may have been dazzled by the superficial attractions of seats where the Liberal vote was above the national average last time but overlooked the fact that it may not be easy to push up further.

The SDP negotiators were working with the help of an analysis written by Professor Ivor Crewe of Essex University of opinion polls in 1981 covering 40,000 voters.

amazing news that Messrs. Shortland and Sydes have managed to deliver the fish-fingers to their very first attempt, or that we have heard of a firm of solicitors who not only understand their clients' legal problems but frequently solve them.

The clue lies in the attitude I have described, the widespread feeling of surprise and pleasure when someone body does what he or she is paid to do. The decline of efficiency is widespread and very marked, and is not to be confused with nostalgia.

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Curice and Steed also suggest that when the results come through, the allocation may not turn out to have been all that important in determining the balance of power in a future Alliance parliamentary party.

Their calculations suggest that the larger the national Conservative lead over Labour, the fewer seats the Alliance will win if their overall vote is anywhere within the expected range.

The Alliance vote is simply the Liberal vote at a higher level, the more closely a Liberal lead in seats.

Turning dreams into reality: the division of constituencies between the Liberals and Social Democrats, by John Curtice and Michael Steed, is published in Parliamentary Affairs

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Teddy Taylor

Pastures new for the rates man

The story of agricultural derating is a very strange one. It is clear that no government of any party would choose to reverse the arrangement whereby agriculture alone among British industries makes no contribution whatsoever to the costs of local government, but what is not so clear is why the rest of industry and commerce is unwilling to use the agricultural exemption as a means of pressing government to reform the rating system, which is undoubtedly harsh and inequitable, and is driving many firms towards bankruptcy.

Agricultural derating was introduced in 1923 as a modest gesture to alleviate appalling agricultural depression at a time when no other means of support was available. Rates at that time were a modest burden, but since then rates have soared and the structure of agriculture has been revolutionized.

But far from reducing the concession, Parliament in 1971 extended the definition of agricultural buildings so that the concession now also applies to what are loosely referred to as factory farm operations (like chicken battery systems) as well as to buildings used by farm syndicates and cooperatives.

The cash involved in the concession is now very substantial indeed. The official estimate is that rateable values around £20m are involved and that the cash loss to local authorities is in the region of £250m.

The continuance of the anomaly is puzzling in view of the repeated calls for change. The Layfield Royal Commission of 1976, for example, stated that there was "no good reason why agricultural derating should continue. Even the recent all-party select committee, which was primarily concerned with domestic rates, went out of its way to call for further study."

Some of the reasons advanced by governments for retaining the status quo have been illogical to say the least. The last Labour government argued that to rate agriculture would involve substantial time and expense in deploying valuation officers. A strange argument indeed, when we consider that there is no shortage of resources in employing armies of valuation officers to assess round private dwellings to valuations of between £5 and £20 to valuations to take account of minor improvements or modifications.

So agricultural derating is as secure as the monarchy. Yet the rest of British industry has been reluctant to use the agricultural anomaly as an argument against its own intolerable rates burden.

The author is Conservative MP for Southend, East.



In organizations like British Telecom and the Post Office it must now be virtually unthinkable for anyone to be rebuked, let alone demoted, for failing without excuse to carry out an allotted task, and elsewhere, to lesser but still very significant extent, the same picture can be seen.

No sane person, surely, can do anything but deplore the apparently immutable truth about human nature which decrees that human beings need disincentives for failure as well as incentives for success. But since it is apparently immutable, it can do nobody any good to behave as though it is not only mutable, but already muted.

A year or two or three ago, I had a run-in with the folk who run Heathrow. (Mr Compositor, if you wish to insert an "H" in "run", please feel free.) My complaint was that I had filled in no fewer than four of the cards they provide at the airport for comments, complaints, queries and suggestions from the passengers, all four asking the same question, but that I had never received any reply at all, though I had put my name and address, as requested, on the card.

The charge was denied with heat and with fervour. Shock, horror and amazement were expressed at the very idea. Their one desire, they insisted, was to attend with all possible dispatch to their customers' wishes. The cards, they insisted, were treated as though each one was a Rembrandt drawing. The staff were instructed to wear clean white gloves before handling them. It was a tragedy of an inexpressibly sad nature that all four of mine had unaccountably been lost.

I was much impressed by all this concern. But I noticed that nowhere in the defence and explanation was any interest expressed in just what had put on the cards, and from that day to this they have never troubled to inquire what it was that had been bothering me. I rest my case.

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James Curran

Putting BL and Britain back on the road

The dispute at British Leyland's Cowley plant reveals a tough, old-fashioned management at work. It was triggered by the long-ho decision to withdraw the "budget time" Cowley workers have had for 40 years without offer of financial compensation.

The angry response of Cowley workers to the management's ultimatum on washing time reflects the accumulation of pent-up anger and frustration that has turned even the exceedingly moderate and conciliatory local union leader, David Buckle, into an angry militant.

This Indian-style style of industrial relations is undermining the British economy. A succession of comparative studies - the latest being that of Dr. Sig Prais - shows that output per worker in manufacturing industry in Britain is between 20 per cent and 50 per cent below that in France and West Germany, and even lower by comparison with the United States.

This is not simply the consequence of backward technology, and the historically low level of investment in British industry. Output per worker with comparable plant and equipment is generally lower in Britain than in other developed industrial economies.

The government's response to this problem has been to assist management to impose decisions on their employees by undermining in a variety of ways the position of trade unions. The evidence suggests that this strategy has not succeeded in increasing efficiency relative to our trading rivals.

These new proposals have been attacked by some right-wing Labour MPs who are committed to old-style state planning, and by some left-wing unionists who fear they lead to the incorporation of militants into the capitalist process and introduce a conventional income policy through the back door.

The author is Editor of New Socialist.

Few can deny that rates act against the principle of regional development because there are numerous examples of high rates being levied in areas suffering from above-average unemployment.

Our main industries are protected from foreign competition by very modest import duties ranging from nil to about 10 per cent. But agriculture enjoys massive tariff protection: CAP guaranteed prices, on average, are about twice the world level. In the case of sugar, the current import levy is about 200 per cent.

Most industries have to fight with tenacity for a market for their products at home and abroad and there is no guaranteed level of sales. But in the case of agriculture, with the exception of quota limitations on commodities like sugar, there is a firm and costly guarantee that all items produced will be purchased through intervention. If the products cannot then be sold, they are disposed of at knockdown prices in the Third World or in the Soviet Union - the current daily cost of such subsidies for the EEC as a whole is £7m per day in the case of perishable products in horticulture.

Industry enjoys only a limited amount of government investment or other aid, and much of this is concentrated in development or special development areas. By comparison, there is a wide range of special aids for agriculture throughout the nation.

So why should industry and commerce not enjoy the same rating privileges as agriculture?

The simple way to achieve this would be for the share of rates contributed by industry and commerce to be raised through national taxation: it would mean, of course, higher national tax levels, but at least the cash would be raised in a fairer way.

The injustices of rating have been carried on for too long. They are crippling a major slice of industry and commerce. And it seems at least reasonable that our factories and shops should be offered the same privileges as have been enjoyed by agriculture, one of Britain's most protected and prosperous industries.

The author is Conservative MP for Southend, East.

Professor Ivor Crewe (centre): did he get it right in weighing the balance between supporters of David Steel and Roy Jenkins?

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THE WAGES OF FUDGE

The heavyweights of the trade union movement have been doing some arm-twisting to good effect at the Scottish TUC conference. It is now generally accepted that the conference will vote against the idea of wage restraint under this or any other government. But nothing will be done at Rothessay, a cast shadow over the proposal for a National Economic Assessment that was put forward in the policy statement, Partners in Rebuilding Britain, published last month by the TUC-Labour Party Liaison Committee.

provide for such a policy. It could just as easily be regarded as an innocuous form of words designed to create the illusion that there would not be a wage explosion under a Labour government. The document proposes that there should be a regular National Economic Assessment, drawn up by representatives of the government and both sides of industry, which would produce "an agreed statement on the framework within which decisions will be made on investment, prices, employment and pay". It goes on to say that "this will mean that bargaining can take place in an atmosphere of wider recognition of what is needed for national economic success".

and their ability to carry their own members with them in any degree of restraint that they thought desirable. Under a Labour government a deliberate policy of wage restraint would be more necessary than it is now because some of the other disciplines would be removed. The principal reason why the unions have come to accept a much lower level of pay increases has been fear of unemployment. Whoever is in office over the next few years, unemployment is likely to remain disturbingly high. But whereas the present Government has pursued tight fiscal and monetary policies, a Labour administration would indulge in massive reflation.

BL lessons still to be learned

From Mr G. H. B. Cattell Sir, It is almost 10 years (June 13, 1973) since you published my letter on production-line monotony in the car industry. Judging by the present outbreaks of unrest in the motor industry we have still much to learn about the art of managing people employed on work which most of us would find not merely monotonous but intolerable without personal commitment to the objectives and participation in the rewards of achievement. The management of BL must be right in striving for the elimination of working practices which raise unit labour costs above those of their competitors. Management objectives and strategy cannot be questioned if profit is the purpose, as it must be. It is surely management tactics which have led to the present impasse. Sir Michael Edwards has come and gone, after considerable achievement but without leaving much evidence of that style of management which can achieve the desired results, whatever the social and economic conditions. That is a management approach which rests ultimately on the consent of the managed, not on the consent or approval of the trade union officials. The principal function of a trade union is to offer its members protection against exploitation by employers. Trade union officials are dependent on a substantial membership. The appeal of union membership is greatest where employees fear exploitation, or where they do not feel identified with the purpose of the enterprise and involved in its aims and progress. The present confrontation is between management and unions. The solution is to be found in cooperation between management

Lack of reserve in the Armed Forces

From Mr K. D. Jamieson Sir, Your second leader ("Uniform opportunities," April 15) makes the important point that, compared with other Nato countries, Britain's Armed Forces lack reserves to back them up. You express the hope that the young people lucky enough to get a place in Mr Heseltine's new scheme could, although only half-trained, form the basis of a reserve force in depth. If war should come the main requirement for a large body of people with some, but not professional, military training is likely to be in supplementing the defence of Britain's home base. There thus seems to be a link between Mr Heseltine's scheme and the imaginative proposals recently advanced by Lord Hill-Norton and others for the creation of a volunteer part-time Home Defence Force. Those who have had their year's training would be the natural cadres, if they so wished, for this new force. It is not enough to "respond to a national call to arms" once battle has been joined. To be effective - and to have any deterrent effect - home defence has to be organized in advance. The logical next step for the Government, therefore, is to build on their present scheme by implementing the Defence Begins at Home proposals on a pilot-scheme basis. Yours faithfully, KENNETH JAMIESON, Mill Hill House, Bucks Green, Rugby, West Sussex, April 15.

Politics and CABs

From Mr John Ross Sir, I am the "local chairman" referred to by Gerard Vaughan when he told the House of Commons (Parliamentary Report, April 13) about his measures to control the national Citizens' Advice Bureau. He mentioned me because I had resigned my chairmanship over the increasingly political stance of the central organization of the CAB. Since then some leading lights in the CAB have accused me of "smeared" the organization. I wish to repudiate this allegation. Like thousands of other volunteers I have worked in CAB for very many years and two members of my family were paid workers of the agency in London. I would hate to see the organization smeared or denigrated. My criticism is limited and very specific. It is made to help and not to undermine the CAB. Workers at the local level are devoted and excellent and, judging by what many of my colleagues say, this specially

society so bereft of opportunity now that military training, however augmented, is seen as yet another hole into which we can place this embarrassing, wasted generation out of sight? I am willing to believe that there is some sincerity behind this proposal, but I also suspect that its relative economy played an equal part, not to mention the consistency such an idea shows, "character-building" as it may be, with Mrs Thatcher's yearnings for Victorian values. It is, I believe, a reflection on a Britain which now depends heavily on a defence industry favoured to the detriment of the civil sector. We have also won a "war", and for some the elation has overshadowed the grief. These are all factors which feed militarism and to offer military training to our young unemployed is in keeping with such a society. The real question is, when this generation of young people has passed through this new scheme, will they have any more chance of utilising any trades they have learnt? Or will they follow the thousands from other such schemes and be left with only their disillusionment? Of course they will also know how to use a gun; but when will the enemy be? Yours sincerely, G. A. ETTLIE, 67 Cleome Street, Belfast, April 15. From Dr Margaret E. Wood Sir, We are concerned about the increasing number of criminals who carry arms, yet we are proposing to train annually 4,000 unemployed young men and women in the use of weapons and then release them on the community after a year. Yours etc, MARGARET E. WOOD, 11 Roundwood Drive, Weylyn Garden City, Hertfordshire, April 19.

WHO WILL POUND THE LONGEST?

Many criticisms have been made of Senator Barry Goldwater in the past, but few people would have thought him the man to be intimidated by terrorism. He himself cannot claim to have thought out the implications of what he was saying when he reacted to the news of the carnage in the American embassy in Beirut by saying, "it's high time we bring our marines back... If there's the more marine killed I don't know what we would do next." One cannot be sure of who is responsible for the attack on the embassy. The trails of violence in Lebanon are so thickly crisscrossed that one probably never will be - which, of course, is precisely why Lebanon is such a popular place for those who seek to make political points with violence but without acknowledging their handiwork. In this case the most likely suspects are Iranian or pro-Iranian troops, presumably acting with a degree of Syrian connivance. But there cannot be much doubt that the object of the outrage was to produce just such a reaction as Senator Goldwater's, and fortunately most American leaders have been wise enough to see this. Senator Howard Baker voiced a widespread view when he said,

despite his original misgivings about sending US forces to Lebanon, that a decision to pull them out now would "send an unfortunate signal to terrorists". Indeed, to speak as Senator Goldwater has "virtually to invite further attacks on the multinational force. To withdraw the force now would imply a lamentable lack of resolve on the part of the United States. That would have dangerous implications throughout the world, and especially in the Middle East itself. American prestige there is already low, after the failure of the Reagan peace plan. That perhaps can be shrugged off, to the extent that it was only a proposal and the Americans can always blame the intransigence of those who have rejected it. But in Lebanon the American commitment goes further. The Reagan administration has set itself the definite goal of obtaining the withdrawal of all foreign forces from Lebanon and the restoration of full authority and sovereignty to the Lebanese state. The multinational force is there as an earnest of that commitment, to help raise the Lebanese security forces to the level required and to maintain security for civilians in the area of Lebanon from which foreign

forces withdraw. Because it has this clearly defined mission, and above all because it is there by invitation of the Lebanese government, the multinational force is not itself a "foreign" force in this sense. "Foreign forces" means those which, whatever their original pretext for being in Lebanon, have now clearly outstayed their welcome: Palestinian forces, Syrian forces and Israeli forces in particular. Iranian forces now deserve mention as well, although they are not there in sufficient strength to mount an independent challenge to Lebanese authority. They are there by courtesy of the Syrians - and, since last August, the same could be said of the Palestinian forces. Syria and Israel are the effective occupying powers. If the multinational force leaves before they do it will not have fulfilled its mandate. America reacted very properly to the attack on her embassy by attending yesterday's session of the Israeli-Lebanese withdrawal talks at Khalde. Of course there must be a reaction on the technical security level as well. But the only appropriate political reaction is to maintain, and if possible increase, the pressure for a withdrawal of foreign

Venereal disease

From Dr John Seale Sir, Is there a new VD epidemic? London Weekend Television (April 8) said it is almost out of control in London, where nearly half the 500,000 new cases per year in England are treated. According to the Chief Medical Officer of the DHSS in his annual report, On the State of the Public Health, "the number of new attendances at the (VD) clinics has been increasing since the early 1950s and in 1980 there were for the first time more than 500,000 new cases" (p.50 and 52). The tables in the annual report (p.53) show that the number of new cases was 458,979 and not in excess of "half a million" as the Chief Medical Officer wrote in the text (p.3). Furthermore, the DHSS has taken a "new attendance" to be synonymous with a "new case". A case, however, is not a person. If a person attends the clinic on one occasion only with thrush, a wart and a crab louse, the DHSS classifies this as three new cases and also, surprisingly, as three new attendances.

requiring treatment in a centre", which is "bureaucratic" for no sexually transmitted disease. These new cases were physically healthy but often terrified people visiting the clinic for reassurance or as contacts of other patients. Ten thousand and forty three cases had genital herpes, a virus infection similar to labial herpes (cold sores) but, because of media-induced anxiety, now a common cause of intense distress, marital disharmony and sometimes death by suicidal depression. The only two diseases which can be correctly categorised as VD, because of their mode of transmission and their disastrous effects if untreated, are gonorrhoea and syphilis. There is an new epidemic of these diseases. In 1980 there were 54,433 new cases of gonorrhoea, a decrease of 1,000 in 1971, and fewer than in the early 1940s. In 1980 there were 4,059 new cases of syphilis, an increase of 1,000 over 1971, but less than one fifth of the 1940s figure. The incidence of VD in the UK has remained remarkably constant over the last decade and is less than it was 40 years ago. The new VD epidemic is a myth, but the fear of VD is not; and fear itself can be deadly. Yours truly, JOHN SEALE, 78 Harley Street, NW1, April 13.

Aid to Third World

From the Directors of Christian Aid and the Catholic Fund for Overseas Development Sir, Professors Bauer and Yamey say (April 11) that aid cannot significantly promote Third World development and does not relieve poverty in the Third World. May we take issue with both of those statements? What do Bauer and Yamey mean by "aid"? If they mean that the volume of aid from all sources is insignificant by comparison with the need for it then few would cavil at their statement. But this does not seem to be what they want to argue. Rather, they seem to argue that because some resources are misdirected and because some countries have been able to achieve high rates of growth without large aid flows it follows that "aid cannot significantly promote development". The conclusion simply doesn't follow from the argument. Where domestic savings and/or foreign exchange are the major constraint on economic growth (which Bauer and Yamey evidently equate with development) then the provision of the resources to breach this bottleneck will - and historically have - increase the rate of economic growth. Bauer and Yamey dispute the power of donors to "effectively question the economic policies and

general conduct of the governments receiving aid". Having taken part in those discussions from both sides of the table we can only say that that is simply not true. So far from conditionality being politically "taboo" bilateral and multilateral donors are, in fact, able to change economic policies. Agricultural pricing policies in Zambia and the subsidies paid to nationalised industries in Sri Lanka are both well known, well documented cases. Why do Bauer and Yamey want to dismiss them? That too much official aid has not had an immediate effect on the very poorest people in developing countries is something that we would condemn as readily as Bauer and Yamey. But that is an argument about the quality of aid, not about the fact of aid. It is also a more complicated argument about the distributional impact of marginal expenditures about which generalisation is exceedingly difficult. One might reasonably expect two professors of the LSE to acknowledge both the complexity of the issue and the ambiguity of the evidence. Yours faithfully, CHARLES ELLIOTT, Director, Christian Aid, JULIAN FILOCHOWSKI, Director, Catholic Fund for Overseas Development, PO Box Nn 1, SW9.

Saluting New York

From the Director General of the British Council Sir, In fairness to the British taxpayer and to the British Council I must point out an error in Christopher Thomas's article on "Britain salutes New York" (Spectrum, April 13). Enormous credit is due to Mr Lloyd-Jacob and private enterprise for raising between \$3m and \$4m to mount this arts festival, but unfortunately Mr Thomas is incorrect in stating that not a penny has come from the taxpayers of Britain. The British Council, on behalf of the British taxpayer, has contributed £80,000 to the festival to help ensure that it is truly representative of British art today. Without this modest input some of Britain's more adventurous contemporary arts, which are less attractive to business sponsors, would not have been represented. British Council support has ensured the appearance of the London Contemporary Dance Theatre, the Fires of London, the Actors Touring Company, the Joint Stock Theatre Company, the Mike

Westbrook Orchestra, the Stan Tracey Quartet and a variety of contemporary art and craft exhibitions. They will reflect lively, humorous and creative aspects of Britain. In addition the British Council has subsidised the Henry Moore exhibition and its financial support for foreign tours by both the Royal Ballet and the London Symphony Orchestra has ensured their presence in New York. Yours sincerely, JOHN BURGH, Director General, The British Council, 10 Spring Gardens, SW1, April 13. War widows' visits From Mr D. T. Downer Sir, The cost of transporting war widows to other foreign lands is a considerable cost of the 1939 war and should be met at once, although 30 years late, whilst there are people who wish to go. Yours faithfully, D. T. DOWNER, 13-14 Little Britain, EC1, April 17.

THE IMBALANCE IN BASKET THREE

The Conference on Security and Cooperation in Europe (CSCE) resumed yesterday at a time when the "free flow of people and information" promised under its principles far less in evidence than the compulsory flow of expelled spies, diplomats, journalists and tourists. The Soviet delegation has not surprisingly intimated that it regards as an "acceptable basis for negotiation" the compromise agreement presented before the recess by the ten neutral and non-aligned nations, a proposal criticized by the West as inadequate on human rights. Basket Three covering cooperation in humanitarian fields was included in the Helsinki Final Act signed at the Helsinki summit in 1975 only after strong Soviet opposition, and its principles have continued to be violated in both letter and spirit by the Warsaw Pact regimes. The expulsion from Leningrad of the British tourist Edward Chick, accused of spreading literature hostile to the Soviet system, was not related to the recent series of expulsions by both East and West, but to a determined KGB campaign to suppress dissidents associated with the courageous effort to form a free-trade union movement in the Soviet Union. The information on low living standards, poor working conditions and political protest by workers, which has reached the West through the movement's clandestine bulletin, is a major KGB target for suppression. Tight

border controls and the jamming of Western broadcasts to the USSR are aimed at preventing the further dissemination of such information to the Soviet population, not yet widely "infected" by the Polish disease. That martial law has failed to effect a cure acceptable to Moscow is evident not only in the police harassment of Lech Walesa. The Polish authorities fear that May 1st will be the occasion for genuine worker demonstrations in support of Solidarity rather than state controlled processions, and the massive police presence in the streets and squares of Poland is intended as a strong warning to Solidarity organizers. The Polish media have again been gagged, and honest journalists have been dismissed or have themselves resigned. Last week security police in Warsaw arrested four more people involved in clandestine Radio Solidarity broadcasts, and secret printing shops were discovered in several cities. Radio Solidarity went on the air a year ago this month, with brief broadcasts on current events and reports on the persecution of free trade union organizers and sympathizers. Several arrested broadcasters have already been sentenced to prison terms of four years or more for broadcasting information "that might have fostered social anxiety and public unrest"; few good journalists would remain at liberty were such an attitude to become

widespread among governments. There has been little real "tit-for-tat" in the recent cycle of East-West expulsions. France and Britain expelled Soviet agents posing as diplomats and journalists; the USSR has expelled an air attaché and a journalist doing no more than pursuing their normal duties. Of course, a perceptive journalist such as Mr Anthony Robinson of the Financial Times sending sound information and analysis on the realities of life in the USSR is always at risk of expulsion for what the authorities term "impermissible activities". The subsequent removal from Britain of a Third Secretary at the Soviet Embassy who was not accused of spying was retaliation of a sort. But a firm response is the only sure way of making the Soviet leaders understand that they have gone too far in promoting the free flow of British secrets. The Soviet withdrawal of a visa to visit the USSR this week from Lord Bethell, the Conservative MEP well known for his condemnation of the Soviet record on human rights, is a different matter. Here too the emphasis is on suppressing human contacts between East and West Europe. Meanwhile, in the USSR dozens of members of the Helsinki monitoring groups are serving long prison sentences for publicizing violations of the CSCE by their government. There is still much to be discussed at Madrid.

County ups and downs

From Mr Conrad Free Sir, I read with interest the article by your cricket correspondent (April 12) and would like to add not only my support for four-day championship matches, but an extra dimension to the debate. Many championship matches are rendered meaningless due to the fact that only a limited number of

counties are ever in contention for the championship. Very simply, I would admit one more county to the championship and divide it into two divisions, each of nine teams. Each team would play the other teams in its division on a home and away basis, with two sides being promoted and relegated each season. Each county would thus play 16 four-day county games under this system which would, in my opinion,

have the twofold advantage of allowing more competitive matches and at the same time ensure batting skills were developed with the added time available. Yours faithfully, CONRAD FREE, Woodville, Leamington, Warwickshire, April 12.



COURT AND SOCIAL

COURT CIRCULAR

WINDSOR CASTLE
April 19: The Queen, with The Duke of Edinburgh...

BUCKINGHAM PALACE
April 19: The Princess Anne, Mrs Mark Phillips...

Forthcoming marriages

Mr C. L. L. Glass and Miss L. J. Hamilton
The engagement is announced between Luke, son of Sir Leslie Glass...

Mr J. W. Baker and Miss S. M. Jones
The engagement is announced between Jeffrey, only son of Mr and Mrs W. V. Baker...

Mr S. H. K. Barnett and Miss M. A. Lovinger
The engagement is announced between Simon, only son of Mr Anthony Barnett...

Mr D. J. A. Elliot and Miss L. Franchiya
The engagement is announced between David, younger son of Mr and Mrs A. H. Elliot...

Mr D. J. A. Elliot and Miss L. Franchiya
The engagement is announced between Donald, son of Mrs Clara Burrell...

Mr C. R. Davenhill and Miss D. J. Deterling
The engagement is announced between Christopher, son of Mr and Mrs P. A. R. Davenhill...

Mr D. J. A. Elliot and Miss L. Franchiya
The engagement is announced between David, younger son of Mr and Mrs A. H. Elliot...

Dr D. Forsythe and Miss C. Gibbins
The marriage of David Forsythe and Catherine Gibbins will take place in Wesley's Chapel...

Mr C. T. L. Foster and Miss C. A. MacLean
The engagement is announced between Toby, second son of Mr and Mrs Michael Foster...

Mr J. D. K. Grant and Miss A. M. Lindvall
The engagement is announced between John, elder son of Sheriff and Mrs Douglas Grant...

Mr R. Hudson and Miss F. M. Christy
The engagement is announced between Richard, son of Mr and Mrs W. Hudson...

Mr L. D. Kelson and Miss R. A. Davis
The engagement is announced between Ian, son of Mr and Mrs Donald Kelson...

Mr R. Zaitouk-Williams and Miss L. Douglas
The engagement is announced between Richard, son of Mrs Prue Zaitouk-Williams...

British Digestive Foundation
Princess Michael of Kent, Patron of the British Digestive Foundation...

Receptions
Princess Michael of Kent, Patron of the British Digestive Foundation...

Her Royal Highness travelled in an aircraft of the Queen's Flight...

The Princess Anne, Mrs Mark Phillips, Chancellor of the University of London...

Her Majesty was received on arrival by the Vice-Chancellor of the University...

The Princess Anne, Mrs Mark Phillips, was present at a charity evening of greyhound racing...

His Excellency the Dominican Ambassador, His Excellency the New Zealand High Commissioner...

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The Princess Margaret, Countess of Snowdon, as President of the Society for the Prevention of Cruelty to Children...

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Golden daffodils of Ulster

By Janet Browne, Horticulture Correspondent

The Royal Horticultural Society's Open Garden, a mass of colour for the society's spring show...

The only gold medal of the show has been awarded to Rathfriland Daffodils, Co. Tyrone...

Among other eye-catching spring plants are the primulas and auriculas exhibited by Mrs B. Hyatt...

First class certificates: Petrea Veldhuis, mauve, from the director, RFS Gardens, Wisley...

Amateur Mr F C Postles, of Drogheda not only won the Gray Wilson memorial...

The show is open today (Wednesday) from 10am to 5pm.



This photograph of a blind visitor to last month's Exploring Woodland and Seashore exhibition at the Natural History Museum, London...

OBITUARY

MR JANIS SAPIETS

BBC broadcasting to the Soviet Union

A colleague writes:

The death of Janis Sapiets removes a man of remarkable gentleness and moral excellence...

He was a familiar voice to an audience whose dimensions in Russia can only be guessed at...

The Second World War had put an end to his hopes of a diplomatic career in an independent Latvia...

He went to Belfast to study at the Presbyterian College, and was ordained as pastor of the Latvian Lutheran church...

He was a central focus of the cultural and religious life of the Latvian community in Britain...

Sapiets was a deeply religious man and the fact that he had been a minister had a strong bearing on his whole approach...

His shrewd and compendious book Victorian Architecture, written with Stefan Muthesius...

He was a widow and three sons.

DR R. E. DIXON

Dr Roger Edmund Dixon was an architectural historian of growing reputation when he died in London on Monday April 18 at the early age of 48...

His shrewd and compendious book Victorian Architecture, written with Stefan Muthesius...

He was a widow and three sons.

Two bishops appointed

The Rev Gordon Bates, Canon Residentiary and Precentor of Liverpool Cathedral, has been appointed Suffragan Bishop of Whitby...

The Rev Peter James Firth, senior producer, religious programmes, and religious broadcaster for the BBC...

Birthdays today

The Right Rev F. C. Darwent, 56; the Rev John C. Davies, 64; Major-General Sir Charles Dumphries, 81...

Latest wills

Latest estates include (net, before tax paid): Bayford, Mr Richard Hayter, of Pangbourne, Berkshire, £306,782...

Bristol Grammar School

Term began yesterday Tuesday, April 19. Samuel Wells is head of school. Fiona Whelan second prefect...

Cobham Hall School

Cobham Hall School's Summer Term begins today. Kate Pellham Burns is the captain of cricket...

Girls' Public Day School Trust

Summer Term for the 24 schools of the Girls' Public Day School Trust will begin this week...

Harrow School

Summer Term begins today. M. S. Landon (Rembalds) continues as head of the school...

St George's School, Ascot

Summer Term will begin at 2 pm on Tuesday, April 26, 1983.

Law Society

The President of the Law Society, Mr Max Williams, was host at a luncheon at 60 Carey Street yesterday...

Receptions

Princess Michael of Kent, Patron of the British Digestive Foundation, was present at a reception held last night at Lettison House...

Dinners

Royal Society of Medicine Sir James Watt, president, presided at a dinner for members of council of the Royal Society of Medicine...

Howell's School, St Andries School, Eton College

Summer Term begins today. The St John Nursing Cadets' Military Band has been invited to play at Dunfermline...

St Edward's School, Oxford

Term started on Monday. The heads of school are J. G. A. Ellison and J. A. Livingstone...

St John's School, Leatherhead

Summer Term starts on Wednesday, April 20. The 20th anniversary of the school's foundation...

St Lawrence College

Summer Term began on April 19. J. Vellacott is head of the school. Jane Hamner is head girl...

St Leonard's School, St Andrews

Summer Term begins today and ends Speech Day, Tuesday, July 12, 1983...

United and Ceel Club

The United and Ceel Club dined at the House of Commons yesterday evening. The guest of honour and speaker was Mr Tom King...

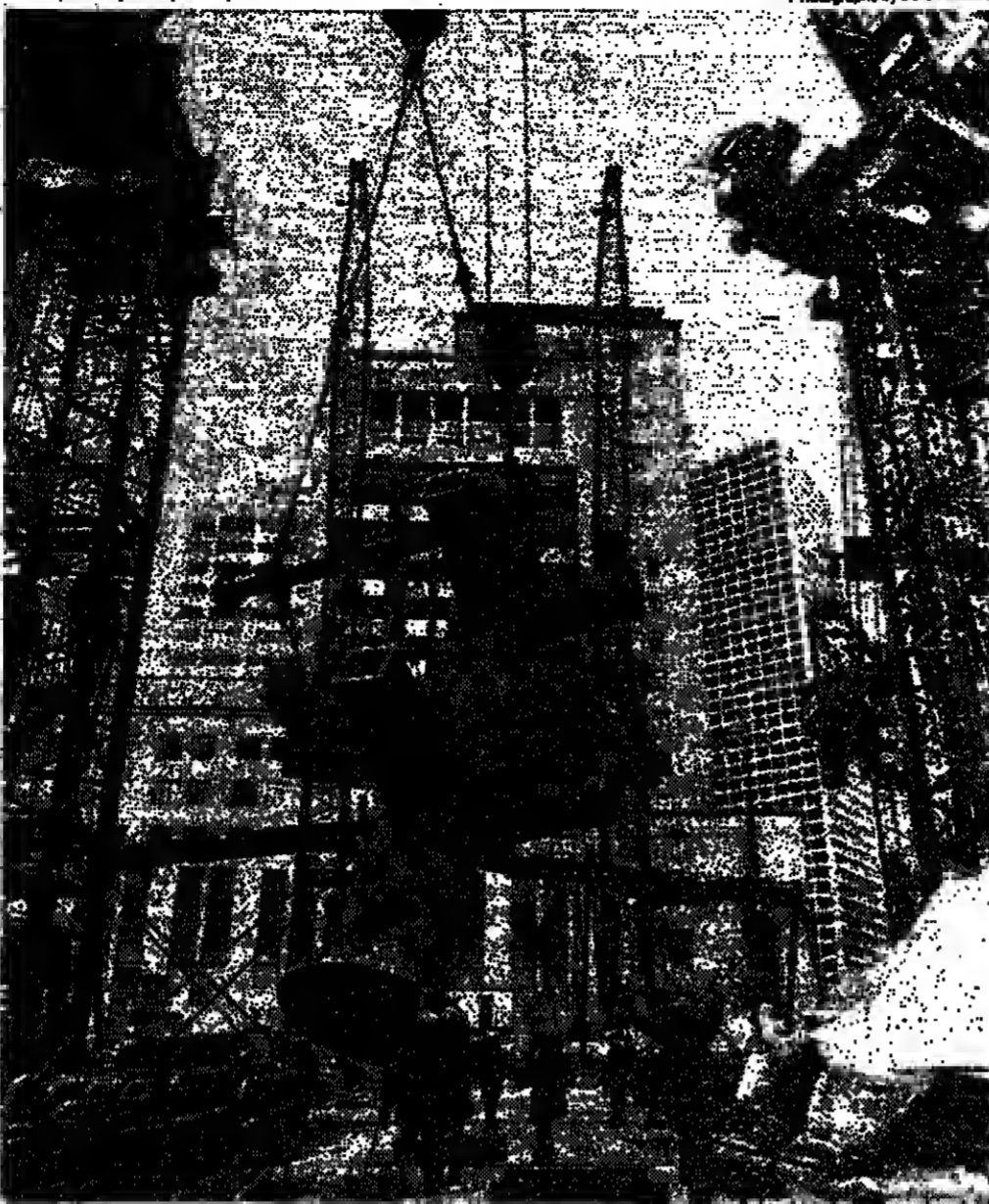
Service dinner

RAF Support Command Air Marshal Sir Michael Beavis, Air Officer Commanding-in-Chief...

Advertisement for the 1983 Hong Kong Trade Fair, including details on participation, dates, and contact information.

Hongkong

Photograph by Derek Cullin



The future may be uncertain but the building goes on. Construction of the new headquarters of the Hongkong and Shanghai Bank in Central district.

Despite continuing economic worries and the wettest winter on record, Hongkong is learning to live with the prospect of reverting to Chinese sovereignty in 1997, when the 99-year lease on the economically vital New Territories expires.

The stock market has recovered to a considerable extent from the knock it took last year when Mrs Thatcher went to Hongkong after a visit to China, where she apparently infuriated the Peking leaders by asserting that the 19th century treaties ceding the territory to Britain were "valid in international law". The Chinese contend that they were imposed by force on the tottering Manchu Dynasty.

After a few panic weeks, when many Hongkong people started looking seriously at ways of emigrating and getting their capital out, and the Hongkong dollar was effectively valued by 12 per cent with small hope of recovery, it became evident that Peking was not planning any early or drastic change in Hongkong's economy and life style.

After the heated denunciations of Mrs Thatcher's statements, even down to her assertion that Britain had a "responsibility" towards the people of Hongkong, the Hongkong leaders saw the economic damage they had done, and tried to right it.

A mood of sweet reasonableness has replaced the earlier prickliness, as the Chinese official media have gone off their way to assure Hongkong people that it will be they, not cadres and soldiers from the north, who will run the island but in a more genteel way than the British are invited to leave.

Some expatriates have wondered whether Peking would care to extend the lease (which does not officially recognize in any case) with or without payment of rent, which has never been demanded in the past. But this seems improbable, given the fact that political "face" is the main reason compelling the Chinese leaders to insist on reversion of the sovereignty they claim to possess already by right, even if they are not exercising it.

It was unfortunate that Mrs Thatcher's visit coincided with a delicate phase of the internal campaign to rid the Chinese leadership of superannuated revolutionary veterans, leftist sympathizers, time servers, and people guilty of abuse of privilege.

Mr Deng's critics, including some top military commanders, might have dearly liked to see him discredited for taking too soft a position over historically emotional issues such as Hongkong and Taiwan. The indisputable mark of a Chinese patriot today is a refusal to accept that the territorial division of China can be negotiated indefinitely.

The storm over the sovereignty issue came on top of Hongkong's leanest, business crisis. It is having more than usual difficulty in marketing the manufactured exports which are the basis of its prosperity.

The vastly overheated property boom of the past few years has predictably burnt itself out, and the blame for many bad debts rests with the banking system which all too eagerly fuelled it. The Government has not helped by dropping the plan for a new airport and ocean bridge, which was previously touted as a symbol of its own confidence in the territory's future.

On the bright side, there was a surprisingly large turnout - more than 30 per cent of the electorate - at the recent elections for the urban council and district boards. Hongkong's only democratically elected organs of government.

Apathy over the urban council elections has been pointed to in the past as a sign that the people of Hongkong are not interested in democracy - only in a stable environment in which to make money and, if possible, prepare to emigrate.

Certainly the urban council's responsibilities are limited, with education, health, social services, roads, etc, being run directly by the Government, whose spokesman has recently said there will be no move towards greater public participation in the near future.

The Government is run by an executive and a legislative council, both of which are composed of *ex officio* members, and appointees such as business tycoons, lawyers and a sprinkling of social reformers.

Similarly, in Peking it is a point of Communist Party dogma that the people of Hongkong in the 21st century will be content with a status vaguely defined as that of a "special administrative region" of the People's Republic.

The territory, Peking promises, would keep its way of life and economic and legal systems for an unspecified time to come, after government and sovereignty had passed out of British hands. But how can the present leaders in China answer for the decisions of their successors more than 14 years from now? Not for that matter, can anyone know what the British Government in 1997 will want to do about Hongkong?

People here are frustrated by Mrs Thatcher's insistence on total confidentiality surrounding the talks being conducted by British and Chinese diplomats in Peking. They feel, understandably, that the issue is being settled behind their backs.

Assurances by the British and Hongkong governments that the people's interests are being kept so view-cut little ice. With native scepticism, the Canton-

ese and other people of Hongkong show little surprise at this situation. Relatively speaking, they have had things pretty good, and 14 years is a long time in which to work out one's individual options for the future.

What rankle are the things considered to be signs of British indifference to the people who have lived peacefully and, on the whole, law-abidingly under the Union Jack for all this time. The Hongkong-issued British passport is a near-worthless document for anything but short trips abroad. Britain has slashed educational subsidies for Hongkong students. Expatri-

ates still enjoy massive job preference and a standard of living they would be unlikely to have at home.

Despite this, there is hardly any overt hostility towards the "old devils" - as the Chinese commonly call Europeans in Hongkong. There is no safer place for a non-Chinese person to walk the streets by day or night (the same cannot be said for Chinese residents, for whom violent crime is a frequent and increasing menace). But anyone who was here in 1967 can recall how easily old resentments may boil over under provocation.

Hongkong is a place whose resilience and adaptability over

the years are proof of the commonsense of the vast majority of its inhabitants. Peking's proposed solution for 1997 and after is impeccable on paper - local autonomy and minimal change in lifestyle and economic and cultural freedom.

It is Britain's responsibility to the process of negotiation and planning ahead, which will show not only the desirability, but also the sheer necessity, of guaranteeing that much in the territory's people, however many of them decide to seek their fortunes elsewhere in the meantime.

After Mrs Thatcher's visit, which arguably did more to hinder than to help the course of the lease negotiations, owing to her intransigent stand on the legality of the leases, flight capital began pouring out of the colony. The local dollar weakened further and the Hang Seng stock market index was nudging 700 by December, roughly half its level in March.

By the middle of last year, too, it was clear that Hongkong's manufacturing and export sector was in the grip of severe recession and corporate profits began to slide. Exports ended the year 3 per cent down in real terms and order books were looking very thin.

This was by no means the end of Hongkong's problems. Towards the end of November, several of the 350 or so secondary banks or "deposit-taking companies", which have sprung up over the past decade, began to fail. The cause in some cases was alleged fraud or malfeasance by directors but the common factor behind this sudden rash of wrongdoing was a rapid deterioration in the quality of DTC assets. Many of them were heavily involved in trade finance or property lending - loans they suddenly discovered were no longer paying interest or bad simply

gone bad. Owners and managers began literally to cut and run while they still could.

A Government policy designed belatedly to stem the runaway growth of the deposit-taking companies and to force their public deposits back into the banking system also contributed to the failures. Those DTCs which were not subsidiaries of banks were thrown into heavy, and costly, dependence on the interbank market. Foreign and local banks which supply funds to this market found themselves dangerously exposed to slumping property assets and took sudden fright at the thought of their interbank lending being used to prop up unsound DTCs also in property or other doubtful lending.

Only some arm-twisting by the Government persuaded the foreign banks to maintain credit lines (while the Hongkong and Shanghai Bank offered emergency support in "soundly managed" DTCs). But with half a dozen DTCs now having failed, there is no indication that the crisis is over, or that it could not spread into the banking sector itself.

The typhoons which sweep in from the South China Sea largely spared Hongkong last year, but the colony was battered by a series of political and economic storms whose aftermath is still very much in evidence.

When Mrs Thatcher came away from Peking in September without any sign of an agreement on what happens to Hongkong beyond the expiry of the New Territories lease in 1997, the gloom already pervading the economy turned into deep depression. It has lifted only slightly since.

Well before the Prime Minister arrived, the stock market had already fallen precipitously from its spring high as the scale of the problems in the glutted property market began to become apparent. Record high interest rates, designed to preserve the fragile Hongkong dollar against untold collapse, had squeezed property speculators too hard and recession had already knocked the bottom out of the market for luxury offices and apartments.

The effect of high land prices has been to negate the low income tax rate for all but those provided with company homes

As though to underline the gloom and despondency which had settled over the colony, the Chinese lunar new year (of the Pig) was ushered in during mid-February by prolonged rainstorms. Not even the grand fireworks display staged in Victoria Harbour could brighten the prospect for long. If Hongkong residents, Chinese and expatriate alike, were desperate by this time for good news, Mr John Brembridge, the Financial Secretary, was hardly in a position to give it when he delivered his end-February budget.

Hongkong's gross domestic product growth in 1982, he reported, had come out not at the 7 per cent he had originally forecast but at a modest 2.4 per

cent. Elsewhere in the region, only the Philippines had done that badly (2.6 per cent growth in 1982), while Singapore and South Korea had both managed 6 per cent growth, Indonesia 6.5 per cent and Thailand 4.3 per cent. Taiwan, too, had grown nearly 4 per cent but, unlike Hongkong, all of these countries gave active encouragement to their manufacturing and export sectors, which they rely on for growth.

Mr Brembridge also had the unpleasant task of admitting that his forecast a year earlier of some HK\$4,900m (about \$490m) for fiscal 1982-83 had in fact come out as a HK\$2,400m deficit, owing in an unprecedented decline in the Government's fiscal position. Total revenues in fiscal 1982-83 had come out not at the earlier anticipated HK\$3,800m but at HK\$3,800m, while expenditures had come out somewhat higher than expected, at HK\$3,200m.

Budget deficits are by no means unique in Hongkong, but it was the severity of the deterioration which surprised most people. Land sales revenue has in recent years been what the Government has relied upon most heavily to finance its surplus budget and in 1982/83 land sales revenues fell by HK\$7,000m. The irony of this is that the impact of high land prices at public auction has been correspondingly high prices for office and residential accommodation, whether for sale or to let. And greedy speculators have added to their own liberal margin. The result has been to negate the advantage of a low (15 per cent) income tax rate in Hongkong for all but those expatriates who enjoy the luxury of accommodation provided by their firms.

Although property rental values have declined in the recent crash most people have not felt the full benefit in terms of lower rents and sale prices, simply because a large volume of empty property is being held off the market. Mr Brembridge, perhaps fearing a social backlash if he raised direct taxes and thereby aggravated the existing problems of still high rates, falling real incomes and rising unemployment, opted to increase direct taxes instead. He went for fairly severe impositions on tobacco and alcohol, motor fuel and licences and property

Continued on page 11

David Bonavia

EXPORTS

Looking for a lifeline from abroad

The real prospect of Hongkong has always depended on exports, rather than the rowdy-based wealth created in recent years by the financial and property boom. Now that the property sector has collapsed, and banks are walking in bad debt, it is the export sector to which the colony is looking again for rescue.

Never has the beer mine true than in 1983 when private domestic demands subdued by recession and government spending is severely constrained by the first major budget deficit in many years.

However, because of the Government's *laissez faire* policies, the export sector has enjoyed precious little encouragement to diversify out of traditional products and there are questions marks over the demand for textiles in particular this year.

In real (inflation-adjusted) terms, the colony's domestic exports actually declined by 2.7 per cent in 1982 but the Government is aiming for a 5 per cent rise this year.

This is based on the forecast that the leading industrial economies as a whole will expand their output by 1.5 per cent in 1982 following a contraction of 1.5 per cent last year. The pace of the United States economy is crucial in both forecasts.

The United States is by far the highest single customer for Hongkong's domestic exports, taking HK\$2,200m (about £2,920m) worth in 1981 (latest available full-year figure) out of total domestic exports of HK\$80,400m. Including Canada, North American sales were worth HK\$31,600m against the HK\$23,700m worth taken by Western Europe and HK\$12,000m by Asian countries.

The Hongkong Government is estimating a 5 per cent rise in domestic exports to the US in 1983, which should be possible, especially in the light of the relatively moderate attitude taken by Washington towards textile imports from Hongkong in the recent Multi-Fibre Arrangement (MFA) negotiations.

Exports to Western Europe, and in particular to EEC countries such as France, Britain and Germany, are likely to do far less well, however. Much the same can be said of exports to Canada, Australia, Africa and the Middle East. Last year, Hongkong's exports in Britain fell by 10 per cent and those to Germany by 4 per cent, whereas sales to the US declined by only 1 per cent.

The key to Hongkong's export problems is the colony's very high dependence on clothing and textile fabrics. In 1981 clothing

exports made up HK\$28,300m out of the merchandise total of HK\$80,000m and, if a further HK\$4,000m is added for textile fabrics, the "textile" trade accounted for nearly 40 per cent of the total. It is not hard to see the problems that that points to, given not only the much greater rivalry nowadays from places such as South Korea, Taiwan and Macao (plus China) but also the protectionist attitude of European textile makers.

The remainder of Hongkong's export spectrum is hardly wide. In 1981 watches and clocks accounted for HK\$7,000m of exports and toys and dolls for a further HK\$7,000m. These three categories accounted for well over a half of total exports.

It is true that the colony has a strong services base in areas such as tourism, banking and shipping. But it is the (highly export dependent) manufacturing sector which still employs by far the biggest proportion of Hongkong's working population

close to one million in 1981 or nearly twice the number engaged in trade and tourism and dwarfing the 155,000 in finance and business services. Yet the export sector receives virtually no official encouragement other than at the trade promotion level.

Fortunately re-exports have remained somewhat stronger than domestic exports, managing a 0.3 per cent growth in 1982 and expected to rise 12 per cent in real terms this year. That should push the colony's total exports (domestic plus re-exports) up by 7 per cent this year. Hongkong's re-exports consist mainly of consumer goods plus raw materials and semi-manufactures - HK\$17,300m and HK\$16,400m respectively out of total merchandise re-exports of HK\$41,700m in 1981. China is the highest single source (some HK\$13,000m worth) followed by Japan (HK\$8,400m) and Asian countries as a whole are by far the biggest market, taking HK\$27,400m worth in 1981.

Hongkong manufacturers have made repeated pleas to the Government in recent years for help by way of concessional finance, cheaper industrial land and other facilities in order to boost their international competitiveness. But the pleas have fallen largely on deaf ears. Credit poured instead into the now glutted property market, where for a time it looked as though the sky was the limit for profits until it came to the time to find occupants for the myriad skyscraper office blocks that had sprung up and to which local and foreign banks had lent money with liberal abandon.

A fraction of the money that went into the greedy dreams of property speculators, if invested in manufacturing, might have produced a much more highly capitalized, diversified and modernized export sector. Instead the reverse happened and many exporters, seeing the profits resped from property speculation, tried their hand at it by closing down factories and selling the land for commercial development. However, the property apple has gone rotten.

Seeing the desperate straits of some manufacturers in the recession, and possibly fearing the social consequences of rising unemployment in the manufacturing/export sector, the big local banks have recently begun offering concessional loans to industry - taking their cue from the Bank of China. It is a belated and inadequate gesture which is hardly to push Hongkong towards an export boom.

Anthony Rowley
Business Editor
Far Eastern Economic Review



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Forming psychological scar tissue

Capital and confidence appear to be creeping back into Hongkong, judging from the gains that the Hang Seng Index has recorded in recent months. While this widely quoted stock market barometer may not portray the economic prospects for Hongkong entirely accurately, it does reflect to a large degree the level of business confidence in the colony.

When uncertainty over Hongkong's future after 1997 came into sharp focus in September last year, it was the Hang Seng Index's plummeting to its lowest level for years that signalled the fears of the local business community. As the market fell further, with each pessimistic pronouncement, it also exposed the shaky foundations on which numerous property-listed companies had been built.

Despite the recent hull run on the Hongkong stock market, which took the index to its highest level in five months (at 1,066 points in late February), opinion among the local hunking fraternity is divided as to whether there will be sufficient support for the rest of the year to keep the market on an upward course.

Over the last three months, vast sums of money have been pouring into the colony. As part of this represents a return of capital which took flight in the fourth quarter of 1982, it is not possible to ascertain accurately the level of foreign purchases.

"The volume of transactions before and since the Chinese Lunar New Year has risen so much that in value terms we are doing better than we did in December 1982," said a spokesman of a leading broking house. Others argue that increased activity had been fuelled by overseas buyers and claim that as much as 70 per cent of the increased turnover of the past three months is linked directly to purchases by foreign institutions.

Despite lingering uncertainty over the colony's future, the consensus is that the worst is over, at least for the moment. Foreign investors subscribe to this view, as do Hongkong brokers, who feel that the market will not return to the

September/October 1982 trough, when, at 700 points, it was some 44 per cent below the level at which it stood before Mrs Thatcher's visit to Peking.

According to stockbrokers W. I. Carr Sons & Company, "For the most part of 1982, 99 per cent of Hongkong's six million people did not even understand the problem at hand. Then suddenly they were confronted with the 1997 issue and the effects were devastating in terms of the stock market. But now, having faced the problem, the psychological scar tissue has developed. As such it will take much time to seal them into a state of panic. Today the political situation is neutral."

If W. I. Carr's assessment is correct, the market should go beyond the 1,200 mark at the end of this year. The more optimistic brokers see the Hang Seng Index breaching the 1,300 or even the 1,400 level. Some of these forecasts are based on the belief that economic recovery is already underway in Hongkong.

Most brokers are predicting that the colony's blue chips Hutchison Whampoa, Cheung Kong Holdings, Jardine Matheson - will not perform too well in 1983. Brokers are also bullish about electronics companies such as Conio Investments and Atlas Industries. Some observers think that the electronics market could perform exceptionally well in the next two years, provided Hongkong can continue to manufacture products more cheaply than the US.

Few companies are expected to tap the market for additional funding, which will spare shareholders the added disincentive of rights issues. In 1982 companies raised almost HK\$900 million (about £90m) in rights issues, as against HK\$6,400 million in 1981. Overall the market raised only HK\$401 million in new capital last year, as against HK\$3,000 million in 1981.

Meanwhile, the future development of the securities industry in Hongkong will be affected by the impact which the new unified stock exchange has on trading patterns. The Stock

Exchange of Hongkong, which will begin operations later this year, will for the first time bring together four separate exchanges which operate independently of each other - and often to the detriment of the securities industry.

Physically, one modern floor will replace four. Members will be competing in one market instead of working in four separate, and to some extent competing markets. There will be a common market discipline in the widest sense and membership itself will have clearer definition.

These reforms will help to streamline trading activities, which is why a single unified exchange was regarded as such an important objective. As Mr Derek Murphy, Hongkong's Deputy Securities Commissioner, said last year: "Competition between stock brokers is clearly a good thing but competition between exchanges can be counter productive."

It is generally accepted that an exchange has unfettered discretion whether or not to list a public company. But, as Mr Murphy pointed out, if one exchange says no to a listing there is always the danger that another exchange will approve it.

The same applies to membership. At present there is no minimum qualification for admission only financial status and suitability of character. Thus a prospective candidate, having been rejected by one exchange which requires higher standards than another, can be accepted elsewhere.

There is also the problem of coordinating price-sensitive information. "Where a company's securities are listed on more than one exchange in the same geographical area, there is a risk of dissemination of information in one market ahead of another to the advantage of the latter," Mr Murphy said.

Despite hopes for a reduction in the number of stockbrokers it was decided that every member

of an existing exchange should be eligible, providing he satisfied certain requirements.

The criteria for membership are being considered by a special committee. Permitted classes of membership, qualification criteria, and deeds of trust arrangements are among the issues to be reviewed. The committee will present its findings to Mr Robert Fell, the Securities Commissioner, by late June.

Listing rules for the new exchange will have to be finalized by Mr Kenneth Yu, secretary and listing manager, Far East Exchange, said that listing rules adopted in Britain would serve as the model but there could be changes to suit local conditions. Among the ones envisaged is an increase in the initial aggregate market value of companies applying for listing.

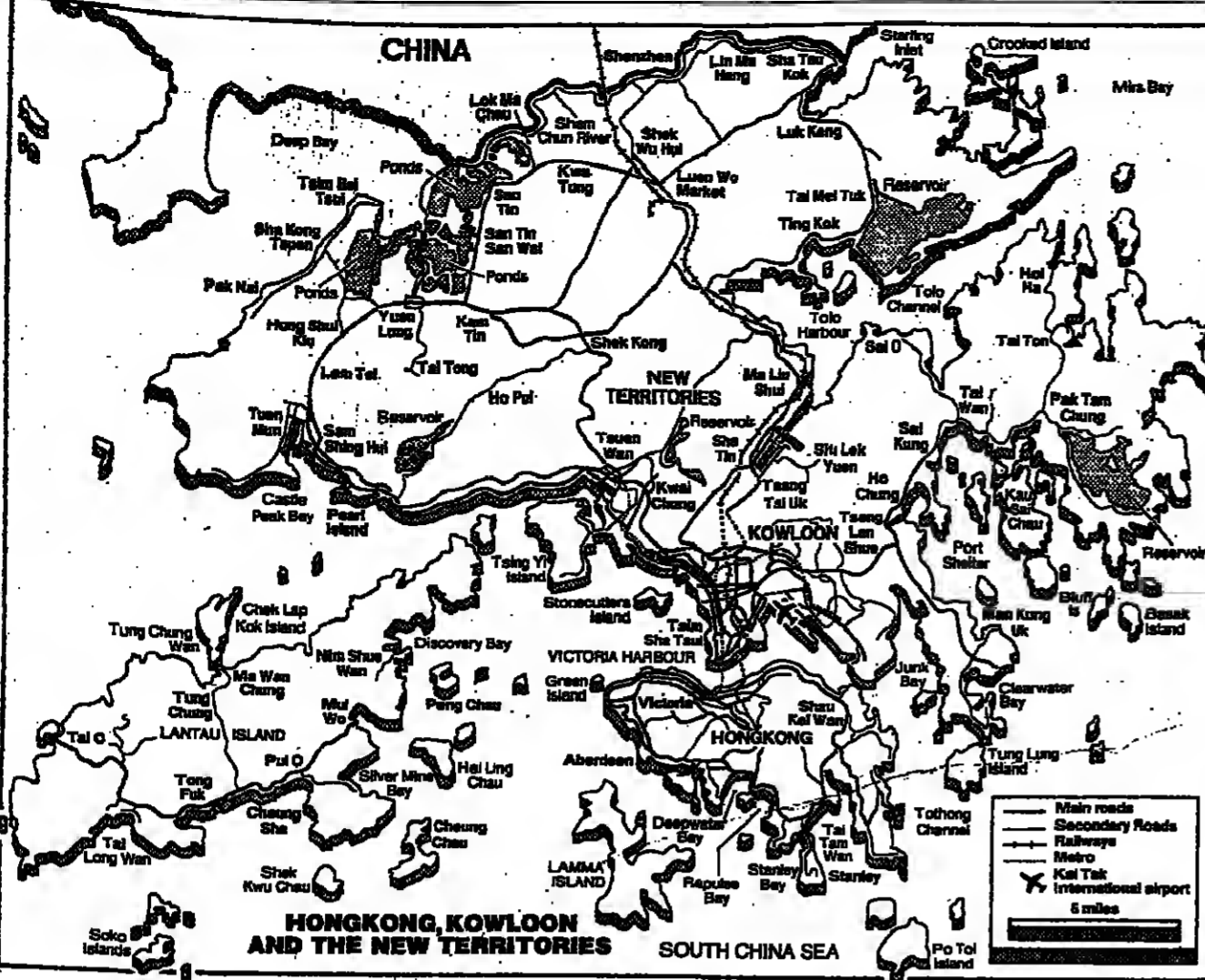
The Stock Exchange of Hongkong Ltd. has the same choice for the new market - was incorporated as a company limited by shares in July, 1980, having an authorized capital of HK\$100m. The following month the Stock Exchanges Unification Ordinance was enacted. It provided for recognition of an exchange company which, from an appointed date, would become the only exchange permitted in Hongkong.

The new exchange will have a department for each of its functions - listings, trading, computer, records, membership at secretarial.

The committee has decided to retain most of the original features of the existing system in to speed up trading and raise movement of the broker on the floor by employing computers. Under this new system the big board normally on display in front of the brier's seat will show only bid and asked prices of the listed securities.

Other details will be computerized and each member will be supplied with a terminal and telephone which will be used to replace the outcry system.

Ranjit Gill



PROPERTY

After the boom, the slide continues

It was inevitable that a bust would follow the property boom of the late 1970s. The collapse, which is now widely evident, was caused by a combination of oversupply, property trading difficulties, world economic recession which eroded demand for office space and luxury accommodation for expatriates, and political uncertainty over Hongkong's future.

Annual results for 1982 of four leading property development companies and two major hong (trading houses) with large property subsidiaries (released on March 30) showed the extent of the damage. Hongkong Land, the largest property developer in the territory, reported a 27 per cent drop in net profits to just over HK\$1,000m (about £100m). Moreover, Hongkong Land felt it necessary to set aside HK\$1,900m for what it called "possible future termination" of two huge projects, and another HK\$514m for Letters B (government-issued New Territories land exchange entitlements).

The two projects - one commercial, the other residential - were in trouble because

partners in the consortium (Carrion and Eda) had defaulted on payments. Eda is in the process of winding up under a court order. Hongkong Land recently sold its share in Hongkong Telephone, to Britain's Cable and Wireless for HK\$1,400m (a profit of HK\$400m).

Jardine Matheson's consolidated net profits were down 2.1 per cent to HK\$708m, a decline which it attributed to its 40 per cent equity in Hongkong Land. Swire Pacific reported a 17.5 per cent drop in profits.

The Government's coffers also suffered, with a HK\$3,000m deficit recorded in 1982/83, the first in many years. Lack of buyers for its land resulted in revenue from this source falling HK\$7,300m short of its original estimate. In 1983/84, land is expected to bring in only 10 per cent of general revenue, compared to 33 per cent in previous years.

The property market's collapse has also caused problems for the Mass Transit Railway Corporation's (MTRC) Island Line extension, which was relying on profits on property development of sites above the

underground to finance up to 50 per cent of its HK\$11,000m cost. The developer of the eight sites contracted so far, a consortium led by Hang Lung Development, has completed one project, but has withdrawn from the second.

A question mark hangs over its ability to develop the other six sites because of the collapse of Eda, a big partner in the consortium.

However, a recent government announcement that the sites will not be handed over for development until a later date offers some respite for the consortium. Meanwhile, the MTRC will have to seek commercial loans to finance the Island Line. The Government, having conceded that the factors (expected profits from property development) which led it to approve the construction of the Island Line "no longer apply", is unwilling to pour more money into the MTRC.

The property market's slide has also had a serious effect on the financial sector. Several deposit-taking companies (DTCs or quasi-banks) have gone to the wall, partly as a

result of a legislated restructuring of the financial sector which removed a source of public funds for these institutions, but also because of their participation in funding property speculation.

The sufferings of the big companies, however, have brought some comfort to the market place; prices and rents are now more affordable.

Even so, such benefits to the customer have their negative aspects. Domestic rent control, instituted in 1979 to protect the middle class from greedy landlords, is expected to be lifted in rapid stages from December. Though the Government has virtually assured the public that the removal of rent control will not take place "all at once", it has reiterated its policy to do away with it "when circumstances justify".

Such circumstances, officials have stated, are not far off. The "sandwiched society", as the middle class is called - since its members are too well-off to qualify for public housing but cannot afford to buy their own flats - has already started grumbling at the prospect.

continued from page 1

Over the last three months, vast sums of money have been pouring into the colony. As part of this represents a return of capital which took flight in the fourth quarter of 1982, it is not possible to ascertain accurately the level of foreign purchases.

Whether capital flows will bridge the remaining gap and save the Government from using its foreign exchange reserves will depend largely on the political climate. At present there appear to be net capital inflows, but government concessions removing withholding taxes on foreign currency deposits in Hongkong are partly responsible for that.

This year looks like being at best a very uncertain one for Hongkong and there is little justification in terms of economic or financial fundamentals for the recent speculative rise in the stockmarket, fed largely by foreign funds.

A. R.

GROSS DOMESTIC PRODUCT (Real change, %)

	1981	1982	Forecast 1983	5 year average 1976-2	1982 actual (current HK\$'000m) E1=HK\$10
Private consumption	12.2	1.7	3	10.8	105.6
Government consumption	25.4	7.7	6	12.7	13.0
Gross fixed capital	-13.1	-0.2	6	5.4	20.4
Plant	13.5	-5.5	4	5.8	20.5
Private construction	4.8	0	-2	6.5	10.6
Public construction	6.6	25.6	15	0.6	10.4
Total exports	13.0	-1.7	7	7.2	127.3
Domestic	8.0	-2.7	5	4	83.0
Re-exports	24.6	0.3	12	2.7	44.3
Total imports	11.7	-2.7	7	17	143.8
Net services	-3.9	0.4	2	-	9.2
GDP	10.9	2.4	4	9	157.3
Per capita GDP	6.4	0.8	1.4	6	HK\$30,000
Domestic demand	10.9	1.2	4	11	111
Final demand	11.3	-0.1	4	11.1	111
GDP deflator	9.8	11.8	9	10.1	10.1
Consumer-price index	15.4	10.8	9	10.1	10.1
Terms-of-trade index	-1.8	0	-	-	-

Source: Hongkong Government

GENERAL REVENUE ANDEXPENDITURE

(HK\$'000m) E1 = HK\$10	1981-82	1982-83 (Revised)	1982-83 (Actual)	1983-84 (Forecast)	Tax changes
REVENUE					
Recurrent	24.0	21.3	5.2	25.7	+3.0
Direct	10.5	11.2	2.0	11.9	-
Indirect	8.9	5.5	5.2	5.6	+2.5
Other	7.5	8.5	1.9	8.1	+0.5
Capital	9.5	12.5	1.5	3.0	-
Total	33.5	37.1	5.8	29.3	+3.0
EXPENDITURE					
Recurrent	16.3	19.4	28	23.8	-
Capital	10.5	13.4	122.0	12.9	-
Total	26.8	32.8	332	36.5	-
Balance	+6.7	+4.9(1)	-24(2)	-7.4(1)	-4.4(1)
Public Sector as % GDP(3)	21.4	23.7	24	24.1	-

Notes: (1) All figures adjusted to reflect actual spending after payment into and out of Capital Works Reserve Fund created a year ago. In 1982-83, HK\$1,500,000m paid in and HK\$3,900m paid out compared with budget estimates of HK\$1,000,000m and HK\$3,000m respectively. The 1983-84 budget provides for payment in of HK\$2,500m and out of HK\$2,500m, which will almost exhaust the fund.

(2) Excluding HK\$1,400m payment in respect of deferred development land at Tin Shui.

(3) Based on consolidated account. Excludes Mass Transit Railway including MTR would bring 1982-83 approximately to 28 per cent.

Source: Hongkong Government

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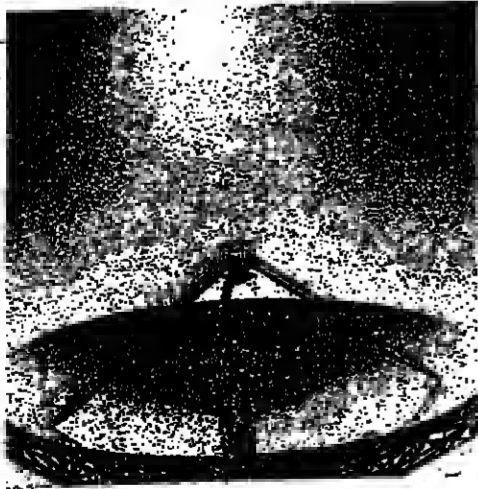
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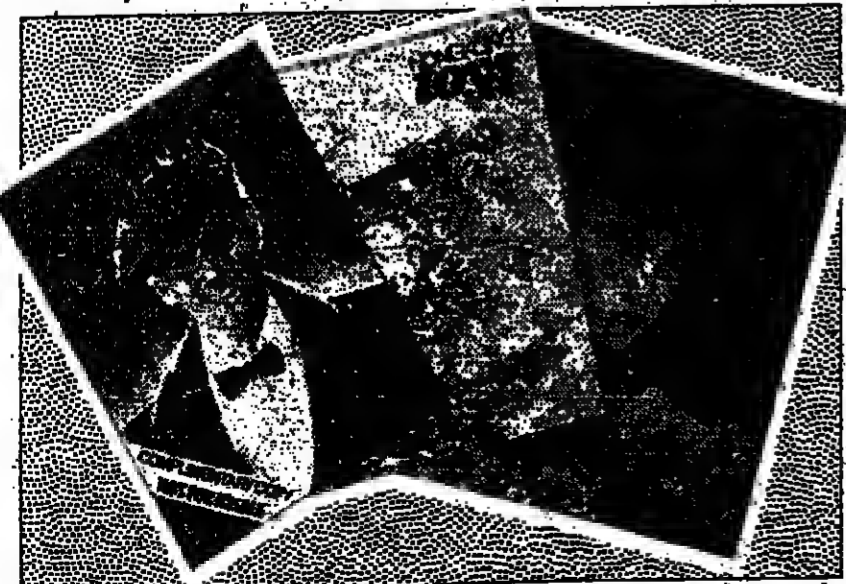
At the same time, Britain is sharing in Hong Kong's prosperity. In 1982, based on the average annual growth rate for the last three years, it was estimated that Britain's total exports to Hong Kong would exceed those to Japan, making Hong Kong Britain's biggest market in the Far East.

A closer examination of some companies' individual investment programmes will provide additional proof that Hong Kong is looking forward to an exciting and confident future.

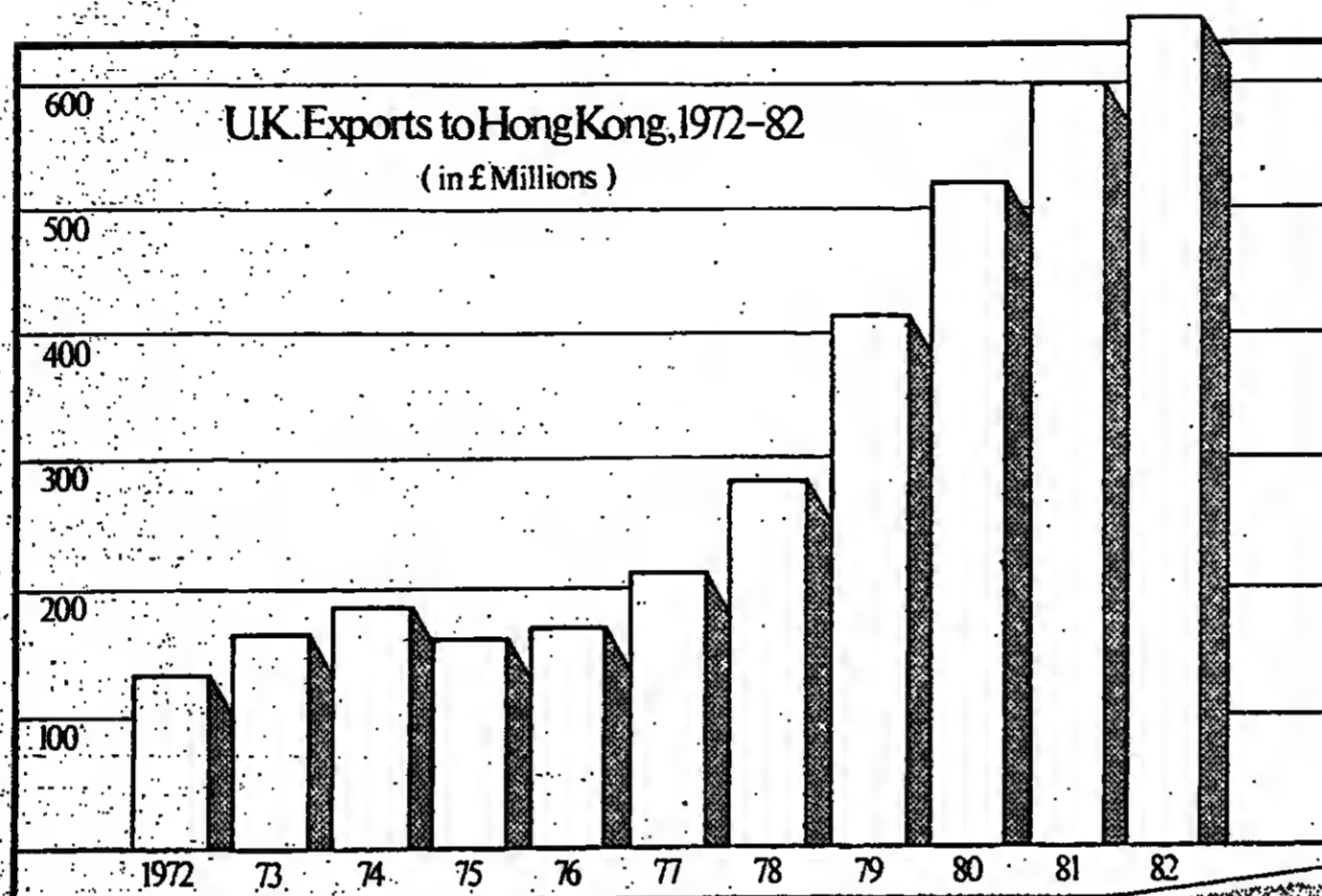
□ Chartered Bank announces major redevelopment of HK head office.

□ Thomas De La Rue & Co to establish £5.9 million factory to print HK banknotes.

□ Hongkong Telephone Company announces £500 million capital investment programme over the next 6 years. £68 million in 1983 alone.



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□ Housing Authority announces £39.5 million worth of public housing construction contracts awarded for Taipo, Cheung Chau and Ngau Tau Kok (5,778 flats for 32,800 people).

□ Government awards £21.8 million contract for foundations of a £136 million 6-tower office complex on Wanchai reclamation area.

□ £2.7 million aluminium plant (Modern Metal & Refining Ltd) to start production at Yuen Long Industrial Estate in March 1983.

□ £118 million investment planned by 36 companies in Taipo and Yuen Long Industrial Estates.

□ £118 million contract awarded by Hongkong Land to Gammon for first phase of Exchange Square development.

□ American Express announces that all regional travellers' cheque and credit card operations will be moved to Hong Kong.

□ Ferranti Electronics in joint venture with Wheelock Marden.

□ Governor announces 203,000 public housing flats will be built between 1982/83 and 1986/87 (average of over 40,000 per year).

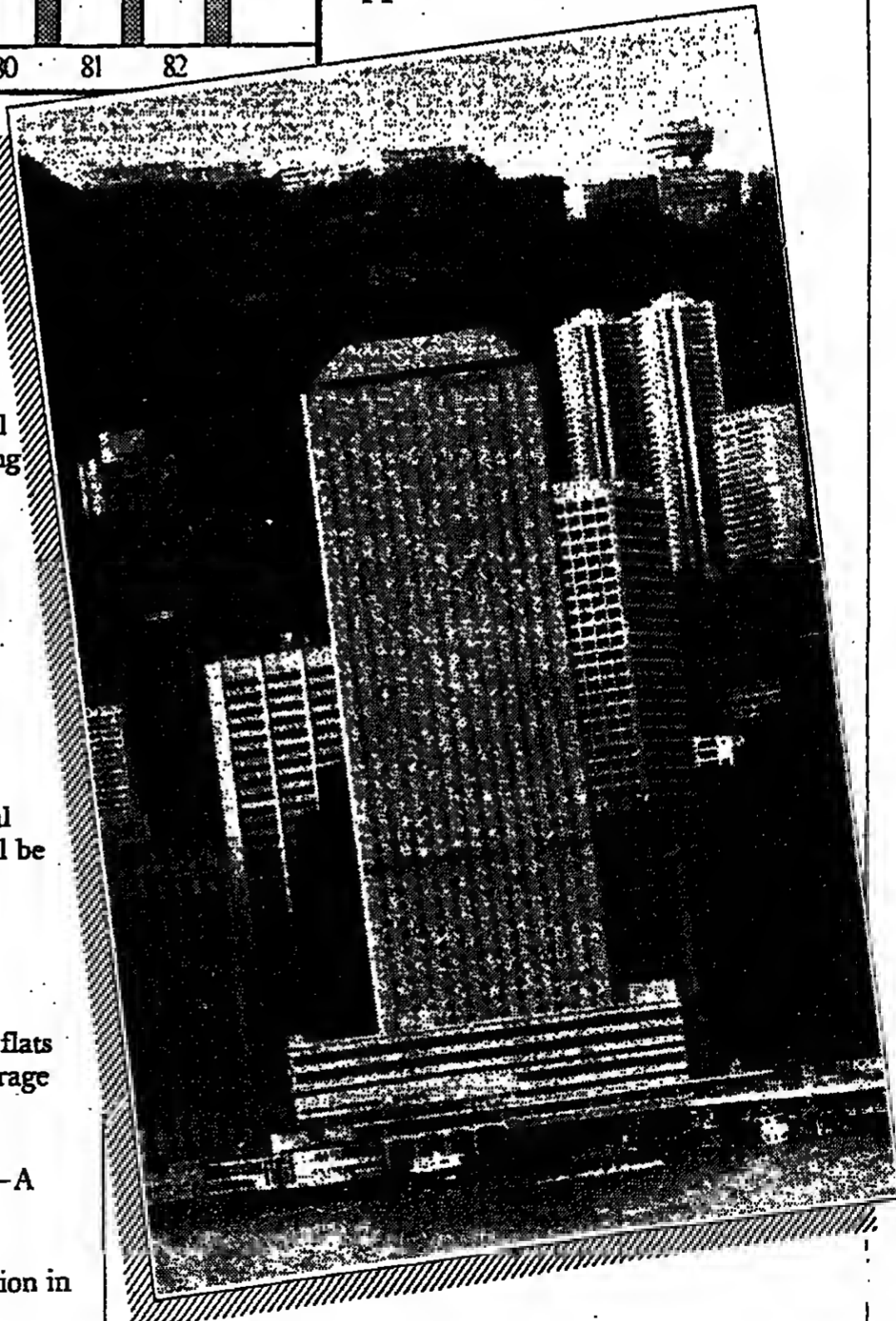
□ Hong Kong fashions take London by storm — A Harvey Nichols promotion.

□ Brown Boveri of Switzerland invests £2.7 million in electronics plant at Taipo Industrial Estate.

□ 4 Japanese Banks and 1 French Bank to open in Hong Kong.

□ Hongkong & Shanghai Bank announces 20 year mortgages.

□ HK Electronics Fair estimated to have won £5.9 million in on-the-spot orders with further £16.4 million under negotiation.



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REFUGEES

An unfriendly welcome at Chi Ma Wan

Barbed wire surmounts the high prison fences. A thin wind whips off the sea and slices between the forbidding grey buildings. Its very name, Chi Ma Wan Closed Centre, has a sinister ring about it, but it is the reality facing Vietnamese fleeing to Hongkong by boat.

It is a reality given added poignancy by the children running around the camp. At any one time monthly births are likely to be in double figures. New lives utterly without prospects, beginning on a little prison island with the haven of Hongkong seen vaguely in the distance through the mists.

Hongkong, the beacon for countless thousands of refugees over the years from both China and Vietnam, is only reflecting the weariness of the Western countries with the problems of the local people and the economic concerns which force them to reconsider their priorities.

Eight years after the end of the Vietnam war they are still arriving, though fewer than in the recent past, when there was less concern. Resettlements have slowed to a tenth of what they were two years ago but those now leaving Vietnam have little chance of being resettled through Hongkong. They are likely to be in the colony indefinitely.

To some, the barbed wire and the prison conditions seem unnecessarily cruel, but the authorities have decided that for the good of both sides the exodus has to be discouraged. The rigid conditions of Chi Ma Wan should be enough to discourage anyone not actually facing certain death in Vietnam.

In Chi Ma Wan now are 2,958 unfortunates who arrived after the cut-off date of July 2 last year. The camp is clean and orderly and, in contrast with some of the open holding camps, there is no overcrowding, but there is no mistaking the status of the inmates. They respond to visitors as to jailers until they realize the possibilities of a journalistic contact, but it is a cruel hope, falsely raised.

Hongkong's place in the ranking of countries of first asylum for Vietnamese refugees has always been a special one. The profile of arrivals has gradually changed, unlike those for other regional countries. The beginning was conventional enough, with the arrival of the *Clara Maersk* in May 1975 with 3,743 escapees on board. The early arrivals - the trickle became a flood with more than 66,000 landing in the first seven months of 1979 - were almost exclusively ethnic Chinese; many of them from the south of Vietnam.

Those refugees fleeing Vietnamese persecution of the Chinese minority, were of a high calibre, mainly business people with skills to offer and often quite a lot of money to start a new life in third countries. Being Chinese, most were well educated and adaptable, readily able to fit in almost anywhere they were sent. In 1979 only 15 per cent of the arrivals were ethnic Vietnamese. Today the ethnic Vietnamese make up 98 per cent.

Today's refugees from Vietnam are of a different calibre from their predecessors. Most are from north or central Vietnam. They have little education, coming mostly from fishing villages or the countryside, and few skills to offer resettlement countries. Their reasons for leaving are most often economic, but some wish to escape military service.

There would be little use in putting them into the open centres in which earlier arrivals were placed; they could not go out to jobs as refugees in Hongkong itself do.

Towards the end of last month there were 12,352 awaiting resettlement, with only about 5 per cent of them having secured acceptance abroad: at the same time 1982 arrivals had fallen, but by a much smaller margin than in the rest of the region.

The number of arrivals by boat throughout the area last year fell by 42 per cent. In Hongkong the fall was only 6 per cent. Resettlement has been disappointingly low compared with other South-East Asian countries which have received the boat people. Hongkong's rate for 1982 was 44 per cent, while other first asylum countries went as high as Malaysia's 66 per cent.

All this has persuaded the Hongkong authorities that drastic measures to cut off the flow from Vietnam may be required. In spite of considerable assistance in the closed camps from the office of the United Nations High Commissioner for Refugees (UNHCR), the refugees have cost the Hongkong Government US \$18m (about £12m) in straight outgoings. This does not take into account the diversion of resources and the use of land which would otherwise yield a return.

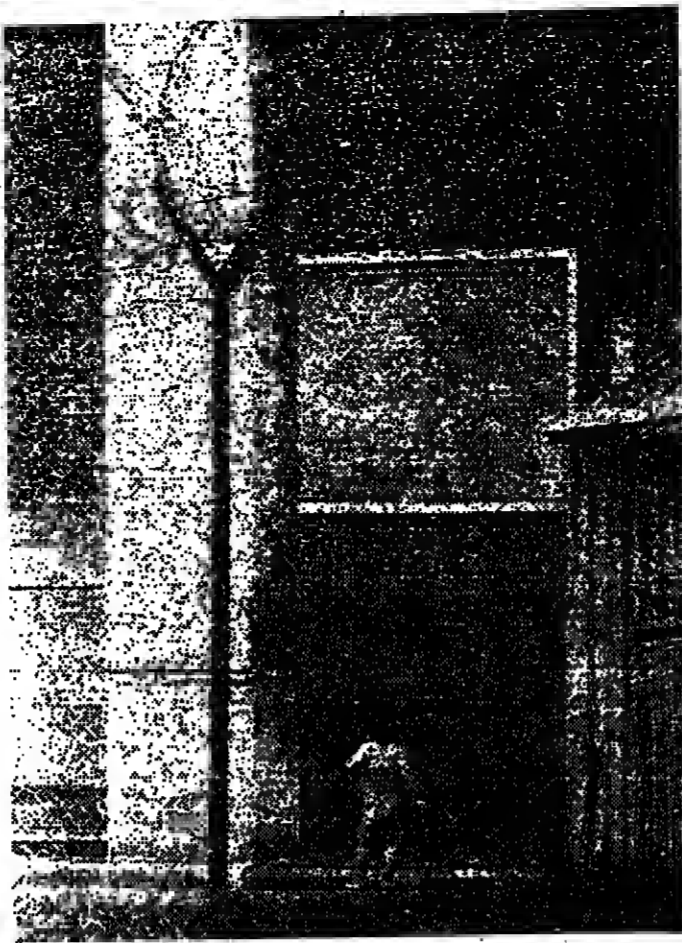
Among the options being considered is the forced repatriation of new arrivals, a dramatic switch from the humanitarian policy which has set Hongkong apart from other South-East Asian countries in the past. Such a programme is still only at the stage of being considered. Should it go ahead it would have to be the subject of negotiations not only with the Foreign Office in London but also with the Vietnamese Government and the UNHCR.

The numbers of Vietnamese boat people in Hongkong pale into insignificance compared with the influx from China. The peak of the flood again coincided with events in Indo-China. As Chinese troops were withdrawn from the border with Hongkong to cope with the fighting on the Vietnam-China border, the steady flow of

refugees from China became a flood. In 1979 90,000 were caught on first arrival and 107,000 got through to "touch base" under the policy then prevailing, which allowed those who managed to evade both the Chinese and the British to stay.

That influx so frightened the authorities and the people of Hongkong that the "touch base" policy was abolished. Last year 8,700 hopefuls were turned back. That change and the introduction of identity cards for Hongkong citizens have not eliminated the problem of the illegals brought in by "snake heads" or racketeers. These illegals are responsible, the authorities believe, for much of the recent violent crime in Hongkong.

While the police have had a good deal of success in picking up illegals, the skill of the counterfeiter has prevented them from being totally successful. Since the "touch base" rule



One of the young refugees at the Jubilee Camp in Kowloon

was ended it has been estimated that more than 8,000 illegals are living underground. They are still arriving at the rate of nine a day.

To counteract the illegals and their effect on the crime rate, new identity cards are being issued from this month. Learning from the lessons of Northern Ireland, they will be backed by a new computer which will allow police officers to run immediate checks on identity cards.

Given the current poor state of the Hongkong economy and the heavy penalties for those assisting illegal immigrants, the police will most probably enjoy considerable public support in the hunt for illegals. Thus, with good policing at the border, it is hoped to eliminate the illegal element in Hongkong's population.

David Watts

HIGHER EDUCATION

Getting ready for the great leap forward

Hongkong has always been something of a laggard in educational development. When the rest of the world was racing to expand tertiary education, the British-administered territory had to stand on the sidelines. It was then still struggling to provide enough school places at the primary and secondary levels.

Now that budgetary stringency and slackening demand for university students have caught up with a number of Western countries, effectively putting a curb on further growth, Hongkong is preparing for its "great leap forward" in the field of higher education.

Current plans are that by the mid-1990s the opportunities for degree courses will increase threefold. The target is to raise first-year degree places from 2.5 per cent of the 17 to 19 age group to eight per cent by 1995, two years before the lease on the New Territories expires. There are plans for a second polytechnic to be opened by 1988, with a total enrolment of 20,000 students, of whom 8,000 will be full-time and the rest part-time and evening students. In the early 1990s numbers will rise to 30,000, of whom 13,500 will be full-time students. A site is being prepared and the appointment of a director is under consideration.

Thirty per cent of the courses offered at the new polytechnic will be at degree level. On top of this, the authorities are examining the feasibility of an open university.

Existing institutions will also be significantly developed over the next ten years. The supply of degree places will be increased by 4 per cent a year at Hongkong's two universities up till 1988, with specific training requests by the Government to be met over and above this figure.

This will see total enrolment at the University of Hongkong, the territory's oldest, and at the newer Chinese University growing from the present 11,200 to 15,100 in four years' time. This is 3,000 places in excess

of the projection of the 1978 White Paper on senior secondary and tertiary education. In the longer term, the English-language University of Hongkong has been asked to explore the possibility of increasing its student population from 6,000 to about 10,000 in the mid 1990s, with emphasis on a greater intake of medical and law students.

The Hongkong Polytechnic, which at present has an enrolment of 25,400 - of whom 8,000 are full-time, 3,700 day-release, and the remainder evening class students - ought to have 30 per cent of its planned full-time equivalent students on degree courses by 1988.

This expansion comes amid uncertainty and anxieties about the future of Hongkong after Britain's lease on the New Territories runs out in 1997, currently the subject of negotiations with China. Why embark on an expansion programme while the whole Hongkong question remains unsolved?

One reason is that, despite present worries, most people realize that there will be nowhere for them to go, whatever happens in 1997. They live in hope that when sovereignty reverts to China, life here will be little changed.

With hardly any natural resources, and depending for its living on its ability to trade effectively, Hongkong must ensure that its gradually diversifying economy is well supplied with highly educated and skilled manpower. Also, the groundwork for the present expansion was laid in the late 1970s, when it was widely held that the last thing China would do would be to disturb the status quo in Hongkong, lest it kill the goose that laid the golden eggs.

To halt expansion plans while negotiations between Britain and China are at a delicate stage would be interpreted by Hongkong people as a sign that the Government was

getting ready to pull out, and this could cause a crisis of confidence.

Clearly, in the long term, much will depend on the outcome of the current talks, but with expansion virtually guaranteed until the end of the decade, it is not surprising that policy makers and educators are expanding confidence.

Professor M. A. Brimer, head of the School of Education at the University of Hongkong, points out: "We are the envy of the rest of the university world because we are expanding when everybody else is contracting."

The provision of university places, however, is still low. With a population of nine and a half million, the territory has only two universities and one polytechnic, compared with the seven universities and four polytechnics for a population of three million in New Zealand.

University places are available for only 2.5 per cent of the 17-20 age group, compared with 4 to 6 per cent in other Asian countries. Hongkong lags behind countries such as Singapore and South Korea, which are regarded as being at a comparable stage of development.

This has resulted in a brain-drain to the United States, Canada and Britain. According to recent statistics, more than 14,400 students went overseas for their education in 1981-82, a number which exceeds by more than 4,000 the total enrolment of the two local universities in the same period.

By acquiring a near-monopoly of secondary education, the Government has created expectations that it will provide further education for matriculating sixth-formers.

Nobody wants to repeat the mistakes of countries such as India, where the rush to expand tertiary education has meant that many graduates take menial jobs, for lack of employment suited to their qualifications.

Halima Guterres
South China Morning Post

The continuing property slump

Continued from page 11

The Government is also taking advantage of the market downturn. A home-ownership scheme for the middle-class (family income of between HK\$6,500 and HK\$13,000 a month) has been scrapped after 2,500 flats - selling for HK\$200,000 to HK\$300,000 - drew only 1,000 applications. Land allocated for this middle-income housing scheme is likely to revert to the home ownership scheme for families earning less than HK\$6,500 a month. Flats in this scheme are very much in demand, drawing several times more applications than can be accommodated. Annual production is running at a modest 5,000 units.

Furthermore, the Government is using this cooling-off period to repay a curious and complicated land debt of more than 100 million square feet to Letters B holders. Letters B were issued to New Territories land owners whose property was used for the construction of new towns.

As these land exchange

entitlements were transferable, most were sold to property developers. In the past, however, much of the land put out for redemption of Letters B was for industrial use and was thus unattractive to holders. In its April-September land sales forecast, however, the Government will be putting out a record 900,000 sq ft of residential land in the New Territories for such exchange - 41 per cent of sites allocated for this category of land use.

The market conditions have also brought a new method of land disposal. Some 400,000 sq ft of residential land, most of it in the prime South Hongkong Island zone, will be available for sale "by auction or tender on application". This means that developers are obliged to show their genuine interest by depositing an amount (to be fixed by the Government) which will reflect the base market value for the site. The eventual sale price should not go below this value.

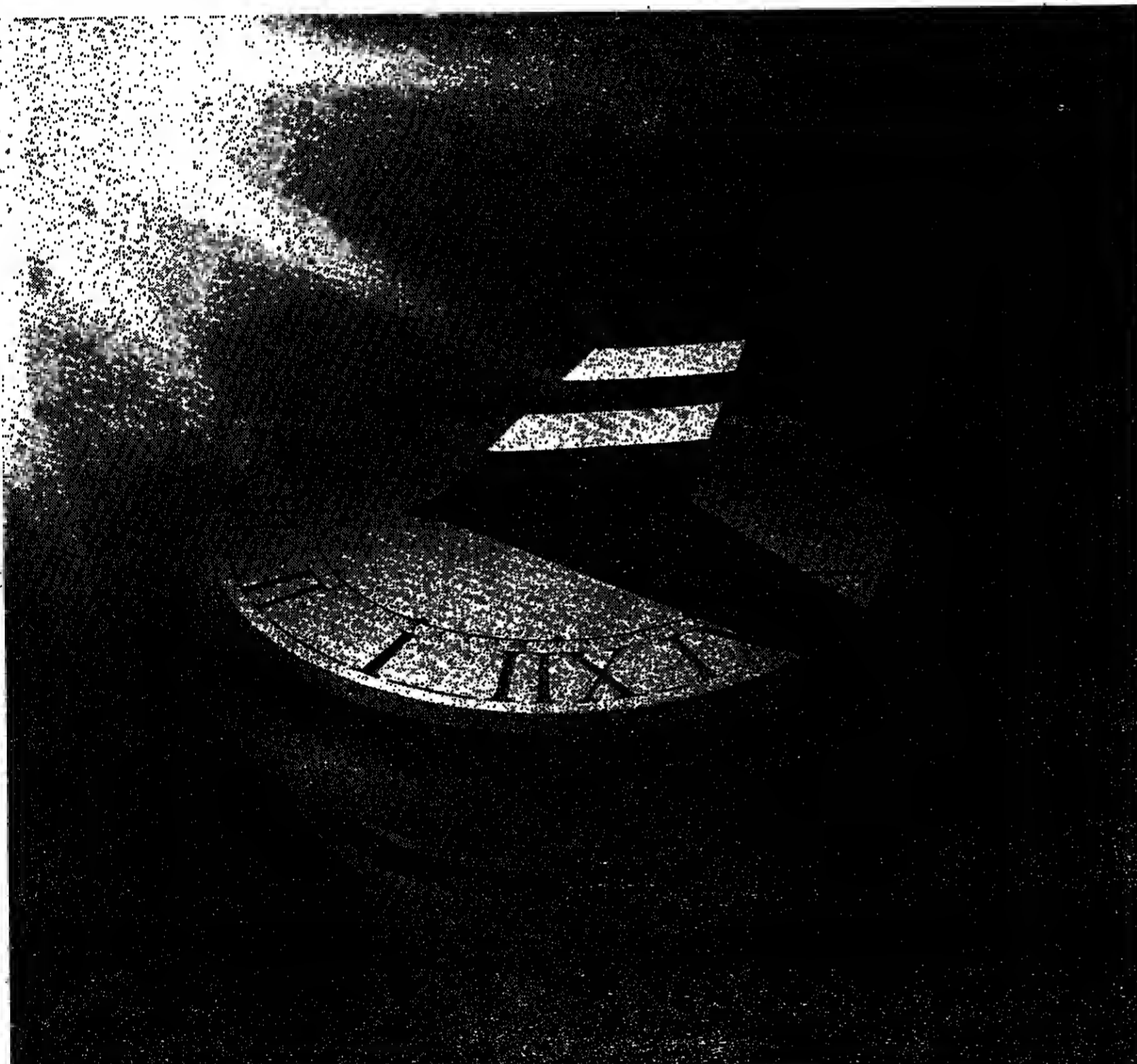
Analysts are divided as to when the property market will recover from its present slump.

Valuers and estate agents say it is now possible to acquire prime properties at bargain prices. Jones Lang Wootton argues that yields on prime property of 9-10 per cent compare favourably with prevailing interest rates. Meanwhile, talks on Hongkong's future have reached a stalemate over the issue of sovereignty. Recovery of the economy, with its reliance on exports, is on the cards, but unless Peking allows a continuation of some form of official British presence in the territory after 1997, confidence in Hongkong's future can be no more than short-term. In these circumstances, the property companies can at best look forward to avoiding further erosion of the market.

Mary Lee

Hongkong Correspondent,
Far Eastern Economic Review.

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11a.m. every day of the year London to Hong Kong

As timetables go, ours is certainly memorable. Every day of the year at 11am, a Cathay Pacific 747 leaves Gatwick for the East. Those passengers who leave us in Bahrain do so in time for dinner and a good night's rest. Those who stay with us right through to Hong Kong enjoy the standards of service and comfort which prompted a leading travel magazine to vote us 'Best Airline to the Far East'. For some, of course, Hong Kong is only the

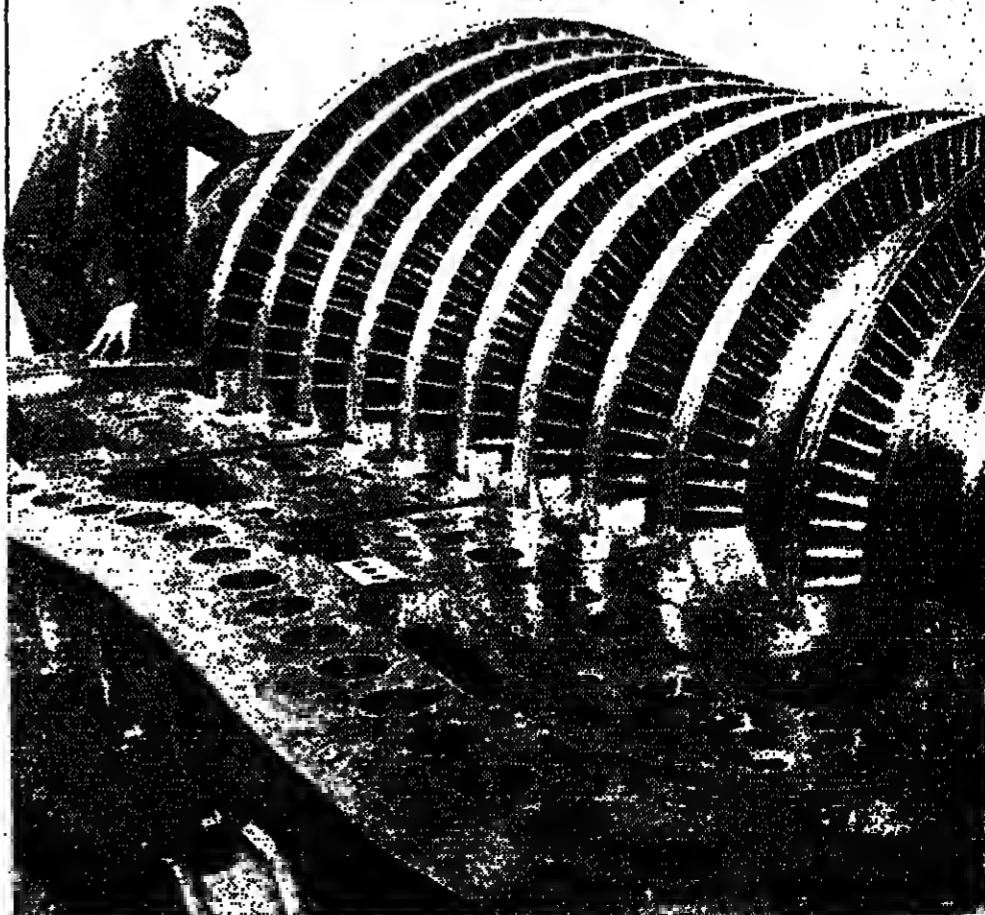
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Hong Kong Government Office, 6 Grafton Street, London, W1X 3LE.



هكذا من لاصول

THE ARTS

Television When the scalpel slips...

When one enters hospital one becomes an object, a thing to be probed or dissected, and in such circumstances it is peculiarly difficult to assert any ordinary personality.

The "price" can be serious injury or even death; the price in financial terms hardly seemed to matter to the people who were interviewed last night.

Life offers few pleasures like that of hearing Felicity Lott and Valerie Masterson singing on the same stage. Unfortunately there is a price to be paid.

Last night's programme was, in that sense, an examination of that neutral territory in which human beings become the objects of institutionalized care.

Not many operagoers, unless they are Polish, will claim much experience of Moniuszko, who was active in the mid-nineteenth century.

While Handel reigns supreme this week at his Hanover Square festival, one of the chaps who almost ruined his operatic career in London, John Gay, is holding the stage further north.

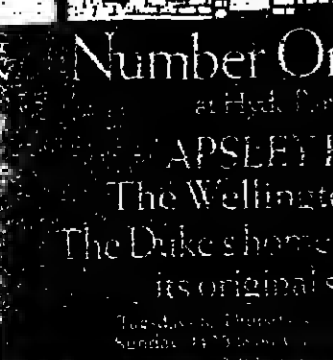
The greatest tonic of all to New York theatre is a good new American play, and Brighton Beach Memoirs (Alvin Theatre) is Neil Simon's best since The Odd Couple.

The New York stage Neil Simon as he wanted to be

Last acts are often anticlimaxes, but the final third of a largely dreary New York theatre season has begun like a dynamic explosion.

The parade began with Simon Grey's Quartermaine's Terms, which has settled in at Playhouse 91, a handsome new Off-Broadway theatre.

Beginning with an engagingly bombastic Victor opposite Maggie Smith in the 1975 Broadway Private Lives, distinguished by an impeccable Sir Robert Morley in a 1980 revival of The Winslow Boy.



Number One London Apsley House The Wellington Museum The Duke's home now restored to its original splendour

The Carmelites Covent Garden

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The Beggar's Opera Sadler's Wells

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The Haunted Manor John Lewis

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Act I Scene 2: Regine Crespin (left) and Felicity Lott in the convent parlour

Opera Marvellous display of vocal heroism

Justification for this revival therefore has to be found elsewhere, and it comes first and foremost from the magnificence of the singing: rarely can so much artistry have been lavished on so poor an opera.

What might be accounted another virtue of the evening is its historical authenticity. Against this day Covent Garden have been storing the dark chocolate habits and the prison-grey convent setting for Margherita Waldmann's production, unused since 1963.

In this instance Moniuszko provides them with several rousing or charming choruses; a handful of character roles not too far beyond the scope of amateur singers; a merry mazurka near the end for which the Mazury Dance Company take the stage with a swirling of skirts and a stamping of boots.

repeated tomorrow their Beggar's Opera which was first seen last summer at Aldeburgh. Now, as then, Britten's realization of the burlesque score is by far the best thing in the evening, richly and lucidly performed by the small Kent Opera Orchestra under Graeme Jenkins, and with the same strong cast.

It seemed again that, in many ways, Britten's music is the work's worst enemy: it lessens the chances for a consistently gripping, rough-and-tumble production, with the tough wit and momentum with which Richard Eyre at the National, for one, has been able to carry the piece along.

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Theatre England's finest

Daisy Pulls It Off Globe

With Julian Mitchell's Another Country playing almost next door, the Globe and the Queen's new preside over Shaftesbury Avenue like a venerable educational establishment, and if there were an interconnecting door between the two buildings you could imagine a hefty school sergeant on duty to prevent Mr Mitchell's depraved boys from getting in among Denise Deegan's innocent young ladies.

Grangewood School for Girls is a true blue Angela Brazil academy where class recitations of "The Mariners of England" and unaccompanied choruses of "Cherry Ripe" come a poor second to the search for family treasure and a cliff rescue in a howling storm.

From the moment of her awed arrival, of course, Daisy comes out top in everything, to the rage of her two snobbish classmates who entrap her with every device known to the fourth-form mind before the guileless heroine routs them in a multiple climax of life-saving, treasure hunting and a famous victory on the hockey field, not to mention finding her long-lost father.

Concert Romantic spread

LPO/Lopez-Cobos Festival Hall

Whoever at the LPO counted them all out and counted them back in again on Monday must have been in trouble: two recalcitrant trumpet players sidled on during the first movement of the Schumann Piano Concerto.

It provided only a momentary distraction, however, from an absorbing and unusual account of the solo part by András Schiff. He is usually associated with the tighter, closed structures of Bach and Mozart, and rarely spreads himself on this romantic scale; but, having decided to indulge, he did so with the utmost freedom and panache.

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The bravura of Zeljko Ivanek (top left) and Matthew Broderick in Brighton Beach Memoirs; Jason Roberts benign and Elizabeth Wilson dizzy in You Can't Take It With You; and Remak Ramsay's command of British character in Quartermaine's Terms

spirit which orders his vision. Often the demons befouled the spirit, but one could see the spirit asserting command with I Ought To Be in Pictures in 1980.



The bravura of Zeljko Ivanek (top left) and Matthew Broderick in Brighton Beach Memoirs; Jason Roberts benign and Elizabeth Wilson dizzy in You Can't Take It With You; and Remak Ramsay's command of British character in Quartermaine's Terms

to character is abundant, as when Eugene says, after his mother yells at him for the umpteenth time, "If I told her I'd just lost both my hands, she'd tell me to go upstairs and wash my face with my feet!"

Gags are few; humour allied

Holly Hill

To all Stockholders in UDS Group plc

Bassishaw or Hanson?

This week you have an important decision to make in respect of your UDS Group holding.

To accept 133½p per share from Hanson Trust or their cash and shares alternative. Or 130p per share from Bassishaw.

Your decision is crucial

The decision is yours. One that will inevitably affect, for better or worse, the futures of the UDS Group's 19,000 employees and their families. And could, quite literally, change the face of Britain's High Streets.

As Directors, we have obligations to employees as well as members.

"The matters to which the directors of the company are to have regard in the performance of their functions shall include the interests of the company's employees in general as well as the interests of its members."

Companies Act 1980, Section 46

We take these obligations extremely seriously. All the members of your Board, as well as its financial advisers, regard both offers as fair and reasonable. But our responsibility for the future well-being of your Company and its employees remains.

Questions that must be answered

Both bidders were, therefore, asked for assurances concerning the future of the businesses and their employees. Their responses are summarised in the table below.

Business	BASSISHAW	HANSON
RICHARD SHOPS	Keep and develop. Install new merchandise systems.	No assurances to retain the business.
JOHN COLLIER	Will invest in the business.	No assurances to retain the business.
JOHN COLLIER Hartlepool Factory	Will retain for UK and export production; assurances given to Union.	No assurances as to security of employment.
ALLDERS DEPARTMENT STORES	A good viable business which Bassishaw would wish to continue to operate.	No specific assurances.
WILLIAM TIMPSON & JOHN FARMER	To maintain both as separate businesses under their present management.	No specific assurances.
OCEAN TRADING GROUP	Will retain and operate. Will develop its international potential.	No specific assurances.

Whose answer is better?

In our opinion the implication is clear. Bassishaw has given a firm commitment to our businesses and employees. Hanson Trust has not.

Indeed, we believe Hanson's business philosophy is likely to result in closures, disposals and a serious loss of jobs.

Is this what you want?

Bassishaw has expressed a quite different philosophy. Its stated aim is to restore UDS to its proper position as a leading and highly competitive High Street retailer.

The assurances from Bassishaw are specific and positive. The fact that its members include the pension funds of the National Coal Board, the Post Office and British Rail, strengthens our belief that it will carefully consider employment issues.

Our profits estimates for the year to January 29th 1983 show that the remedial action taken last year to improve profitability and efficiency has already made a positive impact. They confirm our belief that Bassishaw's proposals for the businesses are entirely realistic.

Turnover has risen. Profit before taxation is up by 62%. Earnings per 25p stock unit have increased by 87%. During the first eleven weeks of 1983, sales were approximately 15% ahead of the same period last year.

What we recommend

If your sole interest is in getting the maximum price for your holding, doubtless you will accept the Hanson Trust offer.

But if you consider it more responsible to preserve a major independent force in Britain's High Streets, and with it the prospects of our employees, you may consider a few pence per share an acceptable cost.

Although two of your non-executive Directors recommend you to accept the offer from Hanson Trust, in the view of six of your Board's eight Directors Bassishaw offers you a fair price for your holding and better prospects for your Company and its employees.

Our advice is clear.

Reject the Hanson Trust offer. Accept the Bassishaw offer.

Our financial advisers, Charterhouse Japhet, endorse the legitimacy of this advice and believe stockholders should give it the strongest possible consideration.

Please think very carefully before you make your decision.



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مذا من رلاصل

Steps 'should be taken to remove BNOC'

State oil corporation serves no useful role, says Esso

By Jonathan Davis, Energy Correspondent

The state-owned British National Oil Corporation should be abolished, according to Esso, one of the largest oil companies in the United Kingdom. BP and Shell, the two other major North Sea oil producing companies, also believe that the oil trading corporation's role as North Sea price-setter should be reviewed in the light of the recent oil price crisis.



Lawson: defended BNOC's role

Mr Nigel Lawson, Secretary of State for Energy, defended the role played by BNOC and the Government over the last two months in seeking to stabilize world oil prices. Britain had no power to set the North Sea price in defiance of market forces, he told the MPs, but had used its influence to help avoid damaging violent fluctuations in the price.

Esso said that BNOC was faced with an "almost impossible" trading role by having to buy large amounts of participation oil on term contracts and having to re-sell it on a short-term contract basis.

This put BNOC in a "financially-vulnerable position" and, said Esso, "its trading function can clearly be performed efficiently and effectively by the market place."

Mr Lawson believes that no changes in BNOC's structure can be achieved realistically until the present turbulent market conditions have abated.

Wall St stocks turn down

New York (AP-Dow Jones) - Wall Street stocks were retreating last night. The Dow Jones industrial average was off about 6 1/2 points at 1,176. Its initial loss had been cut to about 2 1/2 points before the fresh slide.

Declining issues were still 4-to-3 ahead of advances in active trading. Mr Robert Mintz, vice-president at Phillips Appel & Walden, said that "the market two weeks ago showed the same kind of resistance to selling pressure that we are seeing here."

General Electric was off 3 1/2 at 110 1/4. International Business Machines off 5 1/2 at 111 1/2. Johnson & Johnson up 1 1/2 at 48 1/4. American Telephone & Telegraph up 1 1/2 at 67 3/4. Exxon off 3 1/2 at 33. Federal Express down 1 1/2 at 82 1/4. American Express off 1 1/2 at 67. Union Carbide off 1 1/2 at 61. 7-8 and Merck up 3 1/2 to 84 1/4.

The Supreme Court said nuclear regulators do not have to consider psychological stress in the licensing process. The ruling came in an appeal involving restarting one of the two reactors at the Three Mile Island plant Pennsylvania, owned by a unit of General Public Utilities.

Texas Instruments was 161 1/8 down 2 1/2. Teledyne 142 1/8 down 1 1/2. There is a higher than usual risk that public borrowing will significantly exceed the Government's £3,000m target for 1983-84, making fiscal policy more relaxed than planned, the London Business School says today.

The LBS, whose broadly monetarist economic thinking is close to that of the Government, says that, unlike last year, costs are unlikely to fall below expectations while departments, having gained more experience of how cash limits operate, will spend closer to their budgets.

The LBS assessment was written before the revelation last week that Government departments, contrary to the mental budgets, used to dampen the Government's spending projections.

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State borrowing target 'at risk'

By Frances Williams, Economics Correspondent

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Strikes restaurants for USM

By Sally White

Strikes London hamburger restaurant chain, is to be launched on the unlisted securities market by its parent company, Comfort Hotels, which will retain 90 per cent of the equity.

The launch is via a placing of 600,000 shares by bankers Henry Ansbacher and brokers Vickers de Costa. The company says once a market has been established in the shares they will be used to finance further expansion. The placing was at 47p.

Strikes has 23 outlets, of which 18 trade under the name of Strikes, four as American Strikes and one as a franchised Wimpy Bar.

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Savoy Hotel goes £1.8m into profit

By Our Financial Staff

Sir Hugh Wootton's Savoy Hotel group reported a £2.4m profit improvement for last year. The Savoy, whose hotel chain includes Claridges and the Connaught, has moved from a loss of £604,000 in 1981 to a profit of £1.8m last year.

The first comment yesterday on this about-turn came from Lord Forte, chairman of Trusthouse Forte, the world's biggest hotel chain which has designs on acquiring the Savoy Group.

Lord Forte commented: "Part of this improvement is due to further sales of assets. But my company (THF) being by far the largest shareholder, I am glad to see some progress being made. I hope it continues."

Mr Giles Shepherd, managing director of the Savoy, admitted that £1m of the improved profit came from a reduction in interest charges after the sale of some of the Savoy Hotel frontage on the Strand to a subsidiary of Ladbroke group. "But", he pointed out, "the other £1.4m has come from better profit from operations. It is expected that the present year will show a further improvement."

To reinforce its faith in its prospects, the Savoy Group has increased its dividend substantially - shareholders this year get 30 per cent more than they did last year.

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Investors' Notebook, page 23

Shop union backs Bassishaw

By Graham Searjeant

The Union of Shop, Distributive and Allied Workers, which represents most employees of the UDS group has urged shareholders to take the advice of the boardroom majority and accept a lower takeover bid from the Bassishaw consortium, rather than the bid from Hanson Trust, which is giving no specific assurances over the future of the UDS businesses or jobs.

The shopworkers said yesterday that it had received hundreds of telephone calls from anxious employees after the UDS board had sent round details of the different assurances given by the two rival bidders.

The UDS board yesterday sent another circular to shareholders, contrasting a series of assurances from Bassishaw over the future of the Richard Shopp and John Collier chains in particular with the lack of guarantees from Hanson.

Hanson announced yesterday that it has accepted for 10.3 per cent of UDS shares, although its bid does not close until Friday. With prior holdings a further 250,000 shares bought yesterday, this gives Hanson 22.75 per cent of UDS.

Bassishaw controls 15 per cent and the board about 1 per cent. Bassishaw's bid closes on May 6.

Bassishaw's bid closes on May 6.

Lloyd's hires experts for new controls

By Andrew Cornelius

Mr Ian Davison, the chief executive of Lloyd's of London, is hiring three advisers at a cost of £100,000 a year to smoothe the introduction of self-regulation measures for the insurance market.

The advisers have been drawn from Whitehall and the legal and accountancy professions and will report directly to Mr Davison, who was brought in to improve the image of the market two months ago. Mr Davison hinted yesterday that he would further expand the advisory team if opportunity arises. He said the appointments made it "a terrific day for Lloyd's".

The three advisers are Mr Philip Brown, who is due to retire as head of the Department of Trade's insurance division; Mr David Stebbings, a former senior partner of Freshfields, a firm of solicitors, and a member of the Higgins working party on investment and divorce payments at Lloyd's; and Mr Richard Wilkes, a senior partner of Price Waterhouse, the accountancy firm, and a past president of the Institute of Chartered Accountants.

Mr Davison said that the appointments would reduce Lloyd's annual spending of over £5m on fees to outside professionals. He stressed that the appointments were made by him and the ruling council.

Mr Brown, who is an expert on company law through his involvement in drafting several Companies' Bill's since 1967, has been given three-year contract at about £25,000 year for a two-and-a-half day week. Mr Stebbings and Mr Wilkes have one-year contracts.

The council has decided to continue delegating most of its powers to the Committee of Lloyd's, which is made up of the 16 working members of the council, for a further six months. But the council will decide how the market will function to meet the requirements of the Lloyd's Act 1982.

Imperial cuts sale price

By Our Financial Staff

Imperial Group, the tobacco and brewing combine, has slashed £9m off the selling price of the poultry, egg and meat businesses it sold to the privately owned Hillson Holdings last May.

Hillson had then agreed to pay £48.2m for the businesses which include such well-known names as Buxted chicken of which £19.2m was paid at once and £29m was to have been paid over four years. This balance has now been reduced to £20m but it will have to be paid off in full by next October.

The new price reflects the fact that Hillson was not totally happy with what it discovered after the purchase. Since last May it has been forced into a substantial rationalization, coupled with write-offs and redundancies, particularly at Buxted, and at one stage, according to the Imperial Group annual accounts, it was considering trying to reclaim £2.4m from Imperial to compensate for these costs.

It now seems happy with the £9m.

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British Steel cuts loss to £6m a week

By Edward Townsend, Industrial Correspondent

British Steel has cut its losses by a third but is still losing money at the rate of £6m a week, the corporation has told its workers.

In the latest issue of Steel News, the BSC newspaper, the corporation admitted that, without industrial peace, all our efforts and the currency exchange rates will not enable us to put an end to the losses which threaten our future.

The BSC said that the strikes in its South Yorkshire division, caused by the announcement of compulsory redundancies, could undermine the recovery. Progress could also be hit by failure of the cash in on the BSC's "greatly improved" levels of efficiency and cost competitiveness and the pound's drop against other currencies.

World debt level reflects caution

By Michael Prest

Caution about the state of the international financial system restrained the rate at which lending by banks in leading industrial countries grew during the final quarter of 1982. Withdrawals by members of the Organization of Petroleum Exporting Countries continued and leading to Latin America declined for the first time since 1977.

In its report on International Banking Developments for the last three months of 1982, the Bank for International Settlements, which is based in Basle and acts as a kind of central bankers' central bank, says that the period normally sees an acceleration in lending.

But the total external assets of reporting banks in the 14 largest industrial nations grew by only \$33,500m (£2,600m) in the quarter. (Measured in constant dollars this was half the rate of the preceding three months and just a third of the increase in the final quarter of 1981.)

Bank lending growth slackens

By Michael Prest

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City Comment Looking for a UDS solution

The main problem for shareholders judging the rival offers for UDS is the lack of credibility of either of the stores group's boardroom factions.

Both started by condemning the first bid from the Bassishaw consortium. They split when the non-executives wanted to back a higher Bassishaw offer, both were then upstaged by Hanson Trust, which gained approval from the executive majority on the ground that it was not a property developer and would keep the businesses trading. The ruling Lyons family preferred Hanson's paper to Bassishaw's cash.

Now, however, the non-executives prefer Hanson's latest bid, which is higher and offers a choice of cash or paper. The executives, on the other hand, have wrung assurances from Bassishaw that it wants to retain all the important businesses, have joined with the unions to back Bassishaw and are trying to persuade the 16 mainly institutional groups that control 40 per cent of UDS to lie back and think of England. They are not likely to succeed.

There is a further complication. The original UDS defence against Bassishaw, set up by bankers Hill Samuel, was to sell the Richard Shopp and John Collier chains to rival Burton. Part of the logic of this deal must be rationalization. Hanson is keeping its options open.

The credibility of Bassishaw depends on it having as chief executive chairman of Burton. Bassishaw would not sell to Burton.

Indeed, the likely final solution looks something like this. Hanson wins more of UDS than Bassishaw, but not enough to avoid a stalemate. Bassishaw then offers two deals. Hanson could buy off Bassishaw by raising its bid to 140p a share cash, which would cost a hefty £13m. More likely, Hanson will sell the vulnerable Richard Shopp/Collier chain to Bassishaw in return for its cooperation.

By this ludicrous and circuitous route, shareholders, bidders and employees might all reach an acceptable solution.

ROBECO HIGHER VALUATION FOR SHARES. Since the beginning of this year, the value of Robeco shares on the London Stock Exchange has risen by 20% to £69 1/4 at the end of March, 1983, on the back of a favourable climate prevailing on almost all Stock Exchanges. The fall both in inflation and interest rates, coupled with the first signs of economic recovery in the U.S., were the major factors contributing to investors' optimism. The strongly increased interest in equities led both to higher stock quotations and price/earnings ratios. Rises on the Amsterdam Exchange, in particular, were remarkable. Robeco was a net seller in American and Canadian stocks. Its principal purchases were in Germany and the Far East. The above has been taken from the quarterly report published on 31st March, 1983. Robeco, incorporated in the Netherlands in 1933, is an equity trust aiming to strike a balance between the provision of a substantial dividend each year with a reasonable appreciation in capital value. Assets are widely spread over some 15 countries, with the emphasis currently on the U.S.A. (38.3%), Japan (12.5%) and Dutch Internationals (14.3%). For further details write to: Robeco N.V., dept. 382, P.O. Box 973, 3000 AZ Rotterdam, Holland.



WALL STREET

US banks move into brokerage

New York (NYT) - On May 1, 1975, a date now famous as Wall Street's May Day, the Securities and Exchange Commission gave the go-ahead to fully-negotiated brokerage commissions and to the process; changed the face of the investment business.

Comtech to demerge its Mnemos subsidiary

By Michael Clark

Combined Technology Corp, the non-oil interest of Tricentrol, is asking shareholders for \$5.2m and pressing ahead with arrangements to demerge its subsidiary, Mnemos and make it public.

Trusts press for more strict rules

Britain's £12,000m investment trust industry is pressing for stricter stock market disclosure rules to fend off secret accumulations of trust shares by potential predators, according to industry sources.

Tricentrol

A WIDER SPREAD OF OPPORTUNITY

- ★ UK NORTH SEA - income expected from the Buchan Field this year.
★ UK ONSHORE - 25% share in a gas discovery in south east England.
★ WYTCH FARM - 35% interest and leading partner of Dorset Bidding Group.

Hongkong Bank Group - sustained growth in 1982

Highlights from Annual Report

- Group profits of HK\$2,357 million, up 11% over 1981
● Dividend of HK\$0.55 per share (1981: HK\$0.49 adjusted)
● Bonus issue of one for ten



Mr M G R Sandberg, CBE, Chairman

- Hang Seng Bank Limited reported profits of HK\$713.7 million, up 20% over 1981
● Wardley Limited, our main merchant banking arm, recorded reduced profits but business remained at a high level
● Antony Gibbs Holdings Limited has returned to profitability and is making good progress

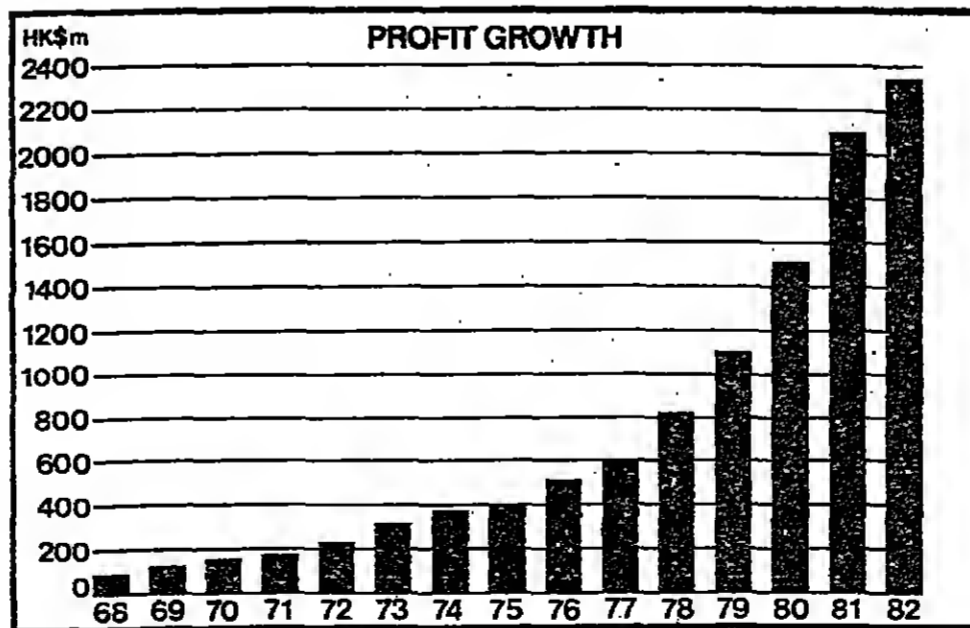
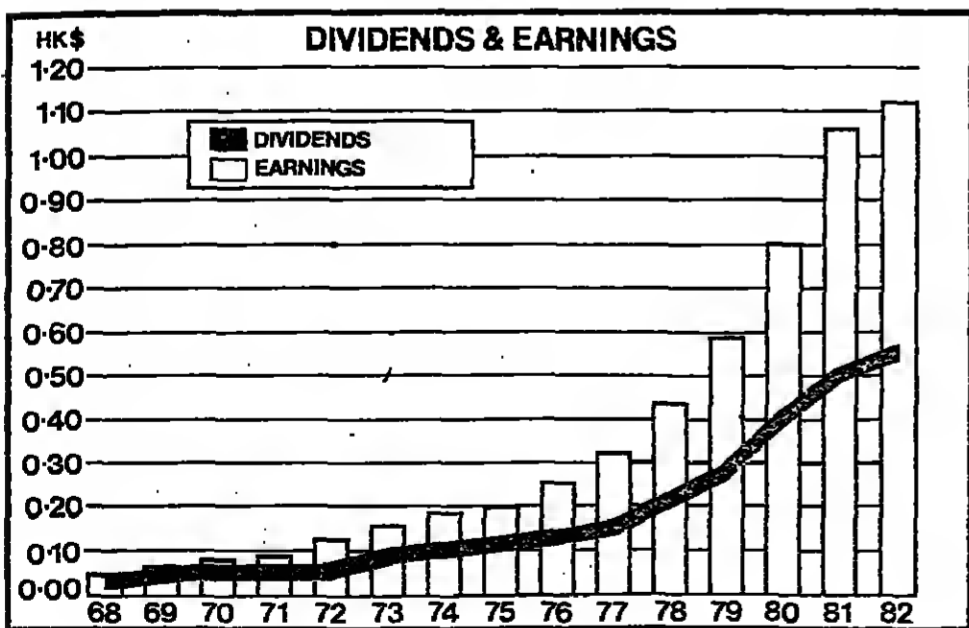


Table with 4 columns: 1982 Highlights, 1982, 1981, 1982. Rows include Total Assets, Issued Capital, Total Shareholders Funds, Group Profit, Transfers to Reserves, Total Distribution, Earnings per share, and Dividend per share.

Hongkong Bank

The Hongkong and Shanghai Banking Corporation. Marine Midland Bank - Hongkong Bank of Canada. The British Bank of the Middle East. Hang Seng Bank Limited - Wardley Limited. Antony Gibbs & Sons Limited. Mercantile Bank Limited.

Consolidated assets at 31 Dec 1982 exceed US\$58 billion

Tilbury lifts profits by 19pc

By Andrew Cornelius

Tilbury Group Year to 31.12.82 Profit £22.5m (£2.1m). Stated earnings 14.63p (13.53p). Turnover £44.5m (£47.3m). Net final dividend 3.5p making 5p (4.17p). Share price 139p up 4p. Yield 5.18. Dividend payable 23.6.83

Tilbury Group, the civil engineering and building company, increased pretax profits by 19 per cent to £2.5m in 1982, despite a near £3m decrease in turnover to £44.5m.

The improved performance was achieved largely because Tilbury went for work which offered good profit margins during the recession. The board recommended a final dividend of 3.5p, making 5p for the year, against 4.17p in 1981.

The present order book for construction work stands at £16m and includes a £7m contract with the Greater London Council to build 150 houses, a £4m road-building contract in Kent and a £1.5m contract for bridge-building work on the Ipswich by-pass.

Mr Peter Maltman, finance director, said that he has detected some signs of a recovery in government spending, particularly on road and housing improvement schemes. Tilbury has three big improvement contracts, worth about £1m each, in London alone.

Mr Maltman said the group had a strong balance sheet, with more than £2m in cash to buy a northern-based construction business with a turnover of £3m a year.

Warning on US budget stalemate

Washington (NYT) - President Reagan has been told that a continuing Congressional stalemate over his budget proposals could mean that the Administration's fiscal revolution and permanent economic recovery will be lost.

The warning came from Mr David A. Stockman, director of the office of Management and Budget at a cabinet meeting on Monday.

Administration officials said that Mr Stockman urged the President to redouble his efforts to reach an accommodation with Congress. But Mr Caspar Weinberger, the Defence Secretary, is understood to have given different advice to the President.

According to officials, Mr Weinberger argued that it would be better to let the process achieve an overall budget failure and instead veto or sign individual appropriations bills as the year progresses. No decision was taken by the cabinet on strategy.



Scottish Life Chairman's Statement

Extracts for Year Ending December 1982. NEW BUSINESS: £6.2m of new life annual premiums, an increase of 25% over the total for 1981.

VALUATION REGULATIONS: It is to be regretted that the well-tried British practice of control by the exercise of the actuary's professional judgement has been replaced by inflexible rules about solvency margins.

COMMISSION: In an effort to avoid the leap-frogging which would come from a free-for-all commission war the Company has joined with a group of like-minded offices in setting up a new body to maintain an orderly market for business sold through independent intermediaries.

INVESTMENT: The net new money available for investment during 1982 amounted to nearly £67m. About a third of this was invested in British government fixed interest stock and the bulk of the ordinary share investment went overseas.

PUBLIC AFFAIRS: The Gower report on the protection of investors commenced on the need to establish standards of competence for those engaged in selling life assurance. We confirm that we support the efforts which the industry is making in strengthening the code of practice and in other ways.

Scottish Life. 19 St Andrew Square, Edinburgh, EH2 1YE. Telephone: 031-225 2211

Handwritten Arabic text at the bottom of the page.

APPOINTMENTS

Regional chief at Midland

Mr Jacques de Mandat-Grancey has been appointed Latin American regional director at Midland Bank International in London.

Mr Michael Gibson has become deputy director, marketing, of Loyds Bowker Finance Group. He was previously group marketing manager.

Dr R. R. Boxall has been appointed research and development director of Gallaher Tobacco.

Mr Peter Prier has joined the board of Holden Hydroman as a non-executive director.

Mr Mike Sprague has been appointed director of international operations for Nairn International, responsible for Australia, Belgium, Denmark, France, Germany, Holland and the US.

Mr David Claxton, managing director of Courage Take Home Trade, has joined the Courage Board.

Mr Peter Ballard has become company secretary of Henry Ansbacher Holdings.

Mr Senmas Cowley is to become underwriter for the C.I. Towers Marine Syndicate.

Mr David Jehn has joined Scripstar as director of operations and Mr C. Brian Williams becomes director of sales.

Sir Robert Douglas has resigned as chairman but remains a non-executive director of Rapid Metal Developments (Aust).

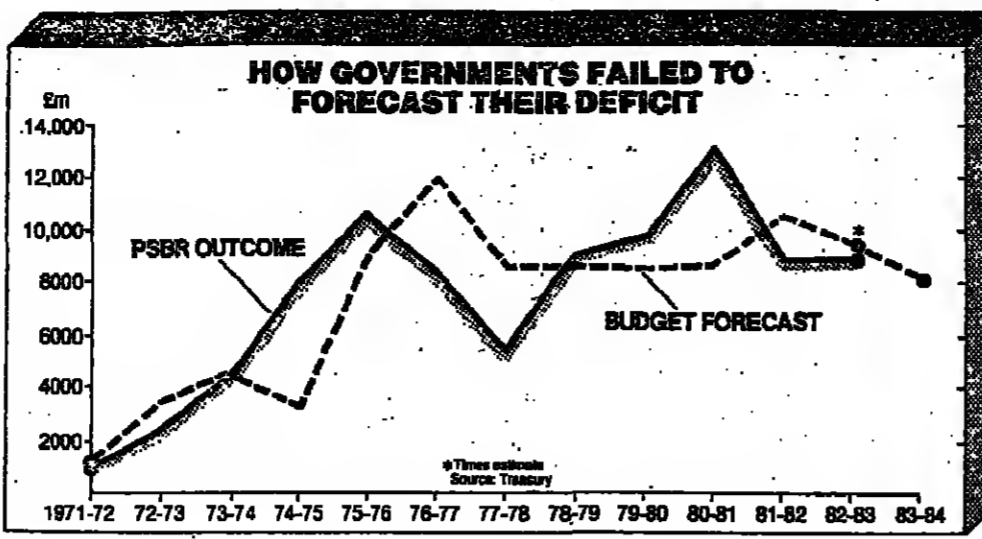
Mr D. J. Lemon, managing director, is appointed chairman. New non-executive directors are Mr J. R. T. Douglas, chairman and managing director of the Douglas Group, Mr R. J. Mierisch, managing director of A. W. Baulderstone, and Mr E. J. Cadman, managing director of Rapid Metal Developments.

Mr H. C. Everitt, joint managing director of Douglas Environmental Engineering as director and general manager.

Mr R. J. Wilson has been appointed managing director of the Dacia Car Company. Mr Maynard Hamilton sales director of Gesteiner Holdings.

Mr E. Q. Bashforth and Mr T. G. Robson have been appointed directors of Hickson and Welch.

Frances Williams on Treasury's surprise at spending spree



How public borrowing defies the art of forecasting

The chart has another interesting feature. Government forecasting errors clearly go in cycles, with two or three years of underprediction followed by two or three years of overprediction. After two years of forecasts higher than outcome has the Government been too optimistic for 1983-84?

Only 40 per cent spending is amenable to strict control

Government departments managed at the eleventh hour, to spend up to their permitted cash limits, in sharp contrast to Treasury expectations of a significant underspend. What the money was spent on we do not yet know. Redecorating the offices is a traditional ploy. Paying hills early another.

But this year's overall spending plans have been held down partly by inclusion of a £1,200m allowance for shortfall included, we are told, on the basis of experience with the cash limit system. As Sir Douglas Wass told The Times last month a few days before he retired as head of the Treasury: "When you get a government which is very strict on its programme managers who nevertheless they get persistent underspending."

Evidence points to overshoot of borrowing forecast

At worst, they say, spending can exceed plans only by the amount allowed for shortfall, because cash limits cannot be exceeded without the Treasury's say-so. "Claiming that previous years' contingency reserves were unnecessarily high, officials say simply that if in the event there are not enough funds left in the kitty requests for extra spending will not be turned down. In an

election year, however, this could prove hard to do. Other factors may work in the Government's favour. Many analysts expect local authorities again to spend less than planned on capital projects. In addition, economic recovery is likely to help keep spending down. This is less because of reduced spending on unemployment benefits - unemployment is not expected to fall significantly if at all this year, though some optimism is voiced privately by officials - but because reduced financial pressure on companies means they tend to press their claims for payment from government less urgently. Higher growth also means higher tax revenues. It is the economic cycle rather than adaptive behaviour by civil servants which is thought to lie behind the cyclical pattern of forecasting errors. Forecasts tend to be too low when the economy sinks into recession and too high when it is on its way up. On this basis, another year of undershoot is likely. But there have been exceptions.

The burden of evidence points to an overshoot of the Treasury's 1983-84 borrowing forecast. But if it is overshoot, as widely expected, the implications are, if anything benign. It will give a small boost to demand, aiding recovery from recession. The financial markets, meanwhile, are unlikely to look askance at a budget deficit which remains the smallest proportion of national income of any leading industrial country, despite high and rising unemployment.

Certainly, a mini-Budget to put a target straying PSBR back on target looks improbable. Apart from the evident political difficulties of raising taxes or cutting spending in the run-up to an election, the Chancellor has relatively few practical options available which have rapid effect.

Spending taxes can be changed quickly, but not those on incomes; public programmes can be delayed but rarely stopped in mid-year.

The problems of predicting the PSBR, and the Government's inability to target it accurately, inevitably prompt criticism that it is an unsuitable policy objective. But the Government sees no inconsistency between its desire to reduce borrowing over the longer term and year-to-year fluctuations. "Just because a darts player does not always hit bullseye," one senior official said "does not mean he should not aim for the centre of the board."

Cry for shipyard jobs lifebuoy

The traditional "sunset" industries are a pain in the neck for Mr Patrick Jenkin, the Industry Secretary. However much he tries to brush them under the carpet in favour of the glamorous "sunrise" sectors of high technology, they persist in creeping back into the public consciousness with embarrassing reminders that they are big employers and often need huge amounts of public cash.

Yesterday produced a prime example. Across the table at the Department of Industry headquarters in London, Victoria Street sat Sir Robert Atkinson, outgoing chairman of British Shipbuilders, who made no excuses for demanding that his stricken industry be designated a special case.

Mr Jenkin and Mr Norman Lamont, his shipping minister, have little choice but to accede if they want to avoid another round of redundancies in the yards that could reach 9,000 on top of the 3,000 already announced this year.

In an election year Mr Jenkin really afford to see more communitarian, admittedly not in Tory strongholds, devastated and the country subjected to another bout of depressing news of big industrial "chastises"? For that, in essence, is Sir Robert's message.

He has asked for a package of emergency measures to tide over his industry until new orders begin to flow again. These proposals are temporary and designed to avert the present crisis which is hitting shipbuilding throughout the world.

The Government has already pumped more than £600m into shipbuilding since it came into office and recently increased the corporation's external financing limit from £122m this year to £160m for 1983-84.

At the Govan yard on the Clyde, where there are new orders, the mood of shipbuilding workers throughout the country was summed up last week by a shop steward who dismissed as futile any move to begin a strike against further cuts. The battle, he warned, was against the Government. Edward Townsend

Financial tables including 'Authorized Units & Insurance Funds' and 'Insurance Bonds and Funds'. The tables list various financial instruments, their values, and other relevant data. The 'Authorized Units & Insurance Funds' table is particularly large and detailed, listing numerous units and their corresponding values.

MARKET REPORT by Michael Clark

Equities on the retreat

ACCOUNT DAY: Dealings began, April 11. Dealings end, April 25. Contango Day, April 25. Settlement Day, May 2.

The big wheel-dealers on Wall Street appear to have put paid to any hopes of the FT Index topping the 700 level for the time being at least.

Yesterday our own market men looked on helplessly as Britain's blue chip stock were given the skelter treatment by American investors. Having coaxed the likes of ICI and Glaxo to seal over heights they suddenly pulled the rug from under them, for no apparent reason, and washed their hands of the subsequent bloodbath.

"They buy at any price, and they sell at any price" was how one disgruntled dealer summed it up.

Whatever the reason for their actions it was enough to send the equity market into ragged retreat with Glaxo closing 18p lower at 935p, having hit £10 at one stage, while Becham finished 7p lower at 403p after 413p. Only ICI managed to retain some of its early gains closing 10p higher at 444p, after 450p, ahead of first quarter figures next week. These are expected to show profits up from £22m to over £90m after an improvement in pharmaceuticals and reduced losses at its petro-chemical division.

In the event, the FT Index ended at its low point for the day down 9.8 at 685.2, wiping out an earlier gain of 1.6.

Last night dealers were becoming increasingly sceptical that the index would achieve its goal this week with only three days of the current account left to run.

With shares of London Brick hovering just short of the year's high the institutions appear to have decided to jape profits. Yesterday several large lines of stock went through the market in excess of half a million shares. The price closed 31p lower at 152.

Gilts encountered nervous selling with falls of up to 1/2 at the longer end of the market prompted by the loss of 1 cent for the pound on the foreign exchange to end the day at

£1,5520. The Government broker is believed still to have ample supplies of the new "tap" with less than half of the £1,000m of stock taken up when dealings started last week.

On the bid front, shares of Marlex jumped 4p to 62p on the news that Canada Northwest had made an offer by tender for the oil exploration group with interests in the Humble Grove consortium in Hampshire. CN had already bought 4 million shares from Mr Andrew Fish, director of Marlex, amounting to 14.8 per cent of the equity at an undisclosed sum.

Mr Fish has also given the group a voting trust on his remaining 2 million shares for 18 months. At last night's close, Marlex were valued at £16.7m. Humphries Holdings, the film developers and printers of cinema films, have received an approach from Technicolor, the

US filmgroup and are now involved in talks to decide on a price. Last night, Humphries closed 17p dearer at 50p valuing it at just under £4 million. BET with 75.37 per cent of the shares, and presently bidding for the minority shares in Rediffusion, 7p lower at 238p.

Shares of Blackwood Hedge, the construction equipment sales company, fell by 4p to 20p after a delay in releasing preliminary figures for 1982. Sir William Shapland, chairman, said that the delay is due to technical problems associated with auditing the results which he now expects to publish on Friday.

Bellair Cosmetics continued to fluctuate wildly as investors awaited news of the talks which may lead to a bid. After dipping as low as 50p the shares ended the day 20p higher at 62p. Shares of Mills & Allen International rose 39p to 400p

after news that Providence Capital Life Assurance had sold its stake of 3.5 million shares. Brokers Laurie Millbank and Rowe & Pitman sold the shares in the market 384p. PCA has also sold 701,000 shares in MAI and paid following the recent rights issue and 774,000 paid shares in Sime Darby London. Both parcels of shares were sold at the 95p level. But PCA still own 3.8 million shares in Sime amounting to 9.8 per cent of the equity.

Meanwhile, shares of Lorin made a successful start to dealings on the Unlisted Securities Market. The price opened at 113p compared with a placing price of 80p.

Also due to make a start in dealing on the USM on Monday are shares of Spring Ram, the bathroom and home improvement specialists. County Bank has arranged for a placing 2.2 million shares at 105p a share representing 21.47 per cent of the equity. This capitalises the group, headed by Mr Bill Rooney, former chief of Hygeena fitted kitchen, at £11m and makes them one of the top dozen companies quoted on the USM. Dealings are expected to open at between 135p and 150p.

THE TIMES 1000 1982/1983 The World's Top Companies... Int. Gross Div. Yield % P/E

BRITISH FUNDS Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

COMMONWEALTH AND FOREIGN Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

LOCAL AUTHORITIES Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

DOLLAR STOCKS Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

BANKS AND DISCOUNTS Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

BREWERIES AND DISTILLERIES Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

COMMERCIAL AND INDUSTRIAL Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

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Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

RECENT ISSUES Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

SHIPPING Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

MINES Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

Table with columns: High, Low, Company, Price, Chg, Div, Yld, % P/E

Sterling: Spot and Forward Table with columns: Market Rates, Forward Rates, etc.

Money Market Rates Table with columns: Treasury Bills, Prime Bank, etc.

Other Markets Table with columns: Dollar Spot Rates, Euro-5 Deposits, Gold, etc.

INSURANCE Table with columns: Allianz, etc.

INVESTMENT TRUSTS Table with columns: Alliance Inv, etc.

PROPERTY Table with columns: Allied Lda, etc.

Arabic text at the bottom of the page.

INVESTORS' NOTEBOOK edited by Sally White

Bumper dividend from the Bank of Scotland

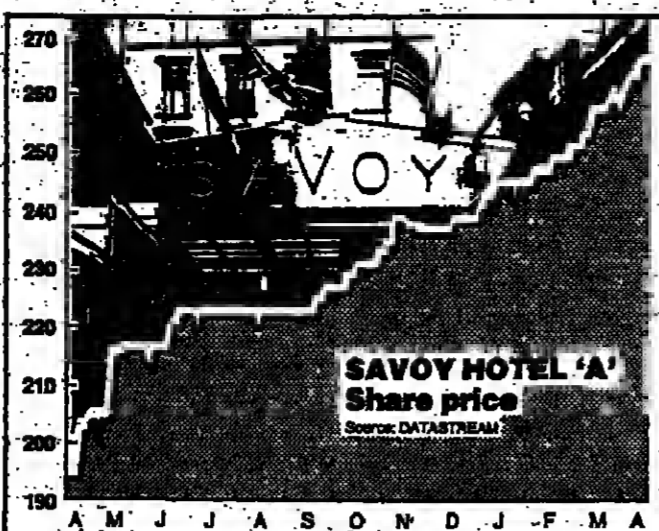
Bank of Scotland Year to 28.2.83 Pretax profit 245.4m (£47.4m) Stated earnings 117.9p (123.9p) Net final dividend 13.5p, making 24p (21p) Share price 484p, up 25p Yield 7.1% Dividend payable 6.6.83

Compared with the London clearing banks, Bank of Scotland has turned in a very solid performance in the year to the end of February. While three of the big four reported sizable falls in profits for 1982, Bank of Scotland has come through 1982-83 with profits only £1m lower at £46.4m, helped by a particularly resilient performance in the second half. Where it has excelled the London clearers is in the size of the dividend rise. After increasing the interim by only 5 per cent, Bank of Scotland has bumped up the final by 23 per cent to leave the year's payout a full 14 per cent up at 24p net.

Lincoln Bank, boosted profits by £800,000 to £4.8m and the Bank of Scotland itself was fractionally ahead at £32.3m. Group bad debt provisions were nevertheless up from £15.4m to £27.1m but with costs under reasonable control - staff costs were 10.4 per cent up - and healthy volumes reflected in a 31 per cent gain in sterling lending, the bank has managed to turn in unchanged profits with the help of £1.5m of gifts profits. This year profits could approach £55m and the shares offer a generous yield compared with the market.

Hambro Life

Hambro Life Assurance Year to 31.12.82 Actual surplus £19.5m (£15.7m) Transferred to £15.8m (£15.1m) Net final dividend 9.375p mkg 13.4p (11.52p) Share price 374p up 25p Yield 5.3% Dividend payable 23.8.83



Savoy Hotel

The Savoy Hotel Year to 31.12.1982 Pretax profit £1.8m (£504,000 loss) Turnover £37m (£33.9m) Share price 266p Yield 0.75 per cent

Results of the Savoy Hotel group exceeded market expectations to the extent that the share price rose 2p to 266p; the outcome was a pretax profit of £1.8m against a general expectation of £1.7m or thereabouts. The improved figure puts the Savoy on a dividend yield of 0.75 per cent and a fully-taxed price earnings ratio of 90. The £1.8m presents a considerable turnaround from last year's pre-tax loss of £506,000. But the Savoy is not an investment stock: it is a takeover prospect.

Combined English Stores Group

Combined English Stores Group Year to 28.1.83 Pretax profit £1.75m (£2.68m) Stated earnings 1.64p (3.62p) Turnover £102.7m (£98.7m) Net final dividend 0.33p (1.66p) mkg 1.82p (3.15p) Share price 51p Yield 6.3%

Combined English Stores Group announced slightly better profits than expected for last year. But there is a savage cut in the dividend that has come rather late in the day, just as the group is talking of recovering from recession. That seems to indicate too high a level of payout in the past. The source of the profits drop is the Fenton Menswear shops, which lost £1.7m at the trading level. Since the year end, there has been a turnaround because of reorganization in this section. The Fenton menswear shops have been given a new, more casual image. But to clear merchandise, a lot was sold at reduced margins. The recovery

coming through after the reorganization can be seen by the slower rate of loss, as the half-year figure was £1.6m. Losses resulting from the reorganization have been taken above the line. Combined English Stores says that the recession is still making trading difficult, but it is seeing some improvement in economic conditions. It is sure there will be a good improvement this year. There were profits of £1.34m last year from property disposals. There are hopes that pretax this year could touch £4m, in which case there could be some improvement, although not restoration, in the dividend. But the market is still cautious about the Fenton reorganization. Honda Motor's 5 per cent dividend rise, at 10.5 pence, and jump in profits of nearly a third reflect mainly the strength of its power product sales. But the 1.7 per cent rise in motor cycle sales, to 3.75m, and a 7.7 per cent rise in the number of cars sold, at 1.12m, are an impressive performance in recession.

Hepworth presses bid

Over the heads of the opposing board, Hepworth Ceramic Holdings has sent out its formal offer for Steedley. Hepworth's chairman, Mr Peter Goodall, puts forward some strong arguments why Steedley shareholders should accept the bid. He points out that, over the last three financial years, Hepworth's pretax profits have risen by 10.4 per cent while Steedley's have fallen by 48.7 per cent. Over the same period, Hepworth's earnings per ordinary share have decreased by 3.1 per cent, Steedley's by 71.6 per cent. Based on the dividends of the two groups proposed for 1982, the ordinary offer would provide accepting shareholders with a significant increase in income, he adds.

Table with columns: 1982/83, High, Low, Company, Price, Change, % Change, P/E, Dividend Yield. Lists various companies like Asst Brit Ind Oils, Asst Brit Ind CULS, etc.

Schroder Sterling Fixed Interest Fund Limited. Incorporated with limited liability in Guernsey Channel Islands. Issued and fully paid £100,000. Management Shares of £1 each, 100,000. Unclassified Shares of 1p each, 99,900. Application has been made to the Council of the Stock Exchange in London for Participating Redeemable Preference Shares of the Fund to be admitted to the Official List.

THE EDINBURGH INVESTMENT TRUST plc. Preliminary statement for the year ended 31 March, 1983 (Unaudited). The net asset value per ordinary share rose from 71.7p, to 109.3p during the year to 31 March, 1983, adjusted for the one-for-ten scrip issue in November, 1982. This is an increase of 52% and compares with a rise of 26% in the FT Actuarial All Share Index. The ordinary share price adjusted for the scrip issue rose 42% in the year to 31 March, 1983. The Directors have declared a second interim dividend, in lieu of a final, of 1.30p payable 17 June, 1983 to shareholders on the register on 19 May, 1983. This makes a total dividend for the year of 2.18p (1982-1.98p), an increase of 10%. The Directors do not recommend any further dividend for the year. The geographical analysis of the equity portfolio at 31 March, 1983: North America 51% United Kingdom 38% Far East 7% Other Areas 2%.

Table of LONDON METAL EXCHANGE prices for various metals like Gold, Silver, Copper, etc.

Table of COMPANY NEWS IN BRIEF for various companies like Harrison Cowley (Holdings), John Crowther Group, etc.

Table of Base Lending Rates for various banks like ABN Bank, Barclays, BCCI, etc.

Table of COMMODITIES prices for various items like Soyabean Meal, International Petroleum Exchange, etc.

Advertisement for BTR-Tilling. Features a large 'GROWTH' graphic and two bar charts comparing earnings per share from 1978 to 1982. BTR earnings: 100 (1978), 125 (1979), 163 (1980), 198 (1981), 236 (1982). Tilling earnings: 100 (1978), 119 (1979), 87 (1980), 76 (1981), 36 (1982). Text: 'The record speaks for itself. What better way for shareholders to measure management success? 1982 was BTR's 16th consecutive year of growth in earnings per share. But for Tilling 1982 was another year of deterioration. BACK THE BTR BID'.

Robson backs experience and loyalty to upset Hungarians once again

The outcome of England's match against Hungary in the European Championship at Wembley next Wednesday could be as influential as the World Cup qualifying...



Wilkins, old hand who is young at heart.

Two famous clubs with a single aim

A quick look at the European Cup roll of honour reveals the absence of two outstanding clubs - Hamburg and Juventus...

Germans find a 'new Mueller'

The extrovert, Schatzschneider has disappointed one or two of his opponents this season, with 26 goals...

Smee to outbid Maxwell

Roger Smee, the former Reading player, claims he now has enough money to outbid Robert Maxwell...

No aid for struggling Wigan

Wigan Athletic, the financially troubled third division club, are unlikely to get help from the local council...

Cross on the move again as Vancouver sign him

David Cross, Manchester City's leading goalscorer, yesterday signed for Vancouver Whitecaps...

United get a Sharp reminder

Liverpool are virtually certain of becoming League champions by kind permission of their neighbours, Everton...

Arie Haan signs for Eindhoven

Eindhoven, Netherlands (Reuters) - Arie Haan, the former Dutch international, will return to the Netherlands with PSV Eindhoven...

Last night's results

EUROPEAN CUP: Liverpool 2, Manchester United 0. Liverpool are virtually certain of becoming League champions...

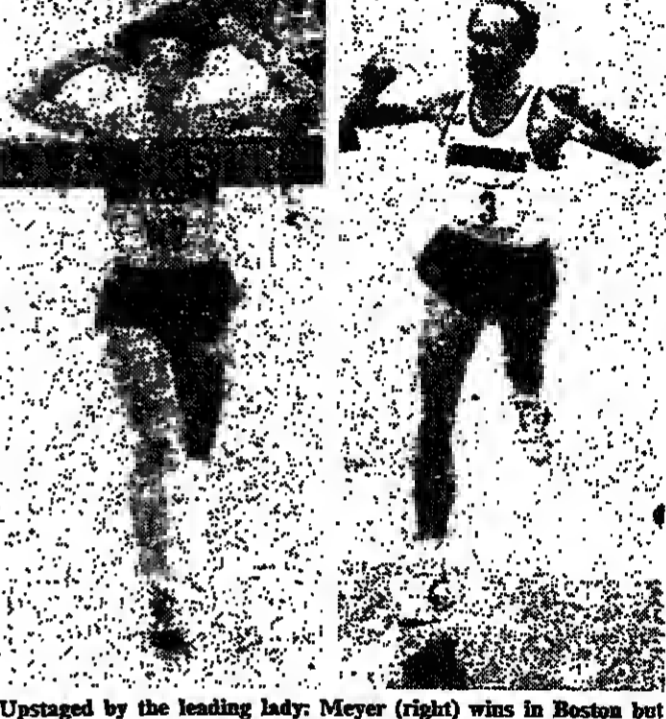
Table with 2 columns: Match, Score. Includes European Cup, UEFA Cup, and other football fixtures.

Table with 2 columns: Match, Score. Includes Cricket, Motor Cycling, and other sports results.

Table with 2 columns: Match, Score. Includes Billiards, Rugby Union, and other sports results.

A marathon record that seems likely to run and run

Boston (Agency) - The new women's world best time of 2hr 22min 42sec set in Monday's Boston Marathon by an American, Joan Benoit...



Upstaged by the leading lady: Meyer (right) wins in Boston but Miss Benoit is the star.

Stars on horizon

The significance of people's marathons, and the attraction of Olympic gold medal winners and world record-holders in a family sport...

Cutter a surprise choice

David Cutter, a 21-year-old Durham University student, is the most surprising inclusion in the Welsh squad to play two internationals against the Netherlands...

Table with 2 columns: Match, Score. Includes Hockey, Baseball, and other sports results.

Advertisement for 'Sukrasan' featuring a logo and text in a stylized font.

CRICKET: LOOKING FOR THE NEW SEASON'S GOLD AT THE END OF THE RAINBOW

Failure's fruit has the seeds of tomorrow's improvements

By John Woodcock, Cricket Correspondent

A continuation of one of the most... A combination of one of the most... What has happened, many must have wondered...



Covans and Dilley: a pair that could yet match the best.

Getting a significant acquisition could be holding... Ian Botham and Geoff Boycott... A significant acquisition could be holding...

Call for change by Sarfraz

Bombay (AP) - Sarfraz Nawaz, the Pakistan fast bowler... Call for change by Sarfraz... Sarfraz Nawaz, the Pakistan fast bowler...

Bugner could silence the man of few words

By Alan Hubbard... Danny Sutton, a former South Carolina... Bugner could silence the man of few words... Danny Sutton, a former South Carolina...

On the attack and then defeated

By John Wilcockson... Britain's home-based professionals... On the attack and then defeated... Britain's home-based professionals...

Trainer's theory

New York (Reuter) - As boxers tend to beat fighters the second time... Trainer's theory... As boxers tend to beat fighters the second time...

US champion in move to join Britain's women

By John Hennessy, Golf Correspondent... The Women's Professional Golf Association... US champion in move to join Britain's women... The Women's Professional Golf Association...

County president's 50 years with Northants

By a Special Correspondent... Dennis Brookes, the president of Northamptonshire County Cricket Club... County president's 50 years with Northants... Dennis Brookes, the president of Northamptonshire County Cricket Club...

Sri Lankans hang on to foil Australians

Colombo (Reuter) - Suburban batting by the young players on the Sri Lanka Cricket Control Board... Sri Lankans hang on to foil Australians... Suburban batting by the young players on the Sri Lanka Cricket Control Board...

Leicester not to risk Dodge

Leicester, already without Dusty Hare, who is unavailable for the... Leicester not to risk Dodge... Leicester, already without Dusty Hare, who is unavailable for the...

PERSONAL COLUMNS

Also on page 30... CLUB ANNOUNCEMENTS... U.K. HOLIDAYS... PERSONAL COLUMNS... CLUB ANNOUNCEMENTS... U.K. HOLIDAYS...

Chancery Division

Law Report April 20 1983

Court of Appeal

Proper assessment of land deals tax

Yull v Fletcher (Inspector of Taxes) [Taxes]... Mr Cecil Yull, the founder and managing director of a large building business... Proper assessment of land deals tax... Yull v Fletcher (Inspector of Taxes) [Taxes]...

Mr Leolin Price, QC, and Mr C. W. Koenigsberger for Mr Yull... Mr Justice Walton said that section 488 had been enacted to prevent tax avoidance... Proper assessment of land deals tax... Mr Leolin Price, QC, and Mr C. W. Koenigsberger for Mr Yull...

Experienced judges still err in summing up on standard of proof

Regina v Quinn... In summing up on the standard of proof a judge must tell the jury that they must be satisfied of the... Experienced judges still err in summing up on standard of proof... Regina v Quinn...

Hopeless appeals over custody

M v M... Lord Justice Dunn sitting in the Court of Appeal with Lord Justice... Hopeless appeals over custody... M v M...

Advertisement for Rolls Royce Silver Spirit, featuring the car's name and specifications.

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Country Properties

Lane Fox & Partners

HAMPSHIRE - MR. HARTLEY WINTNEY
Dorchester 9 miles, Reading 11 miles, London 40 miles
A MOST ATTRACTIVE FAMILY HOUSE
In an outstanding rural position

BERKSHIRE
Rugby 4 miles, Newbury 8 miles, London 60 miles
AN IMMACULATE FAMILY HOUSE
Ideally situated in the centre of a popular village

CHESTFIELD, SMALL MANOR HOUSE
LISTED GRADE II
In small rural area, Canterbury 8 miles, W/L station 1/2 mile, 3 bedrooms, 2 bathrooms, 2 living rooms, 2 reception rooms, 2 porches, Gas C.H., very attractive garden.

CAMBRIDGE
40 MINUTES KINGS CROSS
16th Century Cottage
In picturesque river valley, 5 bedroom cottage, fully fitted kitchen with Aga cooker, 4 double bedrooms, 2 bathrooms, 2 living rooms, 2 porches, enclosed garden, 285,000.

ICKLEFORD, BITCHIN,
HERTFORDSHIRE
Price: £157,000 Freehold
A Listed Grade II residence set in 1 1/2 acres of wide lawns in a lovely setting bordered by a shallow river just beyond the edge of the village.

COX and company
Chartered Valuation
Surveyors and Estate Agents.
80 Broad Street,
Hitchin, Hertfordshire.
Telephone Hitchin 52225

TWICKENHAM
A fine Victorian house divided into 3 self-contained flats.
FLAT 1: 2 bedrooms, 1 bathroom, dining room, kitchen, 2 beds, 2 baths, 2 living rooms, garage, attractive garden, 14th floor.

EAST SUSSEX
Attractive modern house, country setting, 13 acres, large dining room, 2 living rooms, 2 reception rooms, 4 beds, 2 baths (1 en suite), double garage, tennis court, 12 miles South Downs.

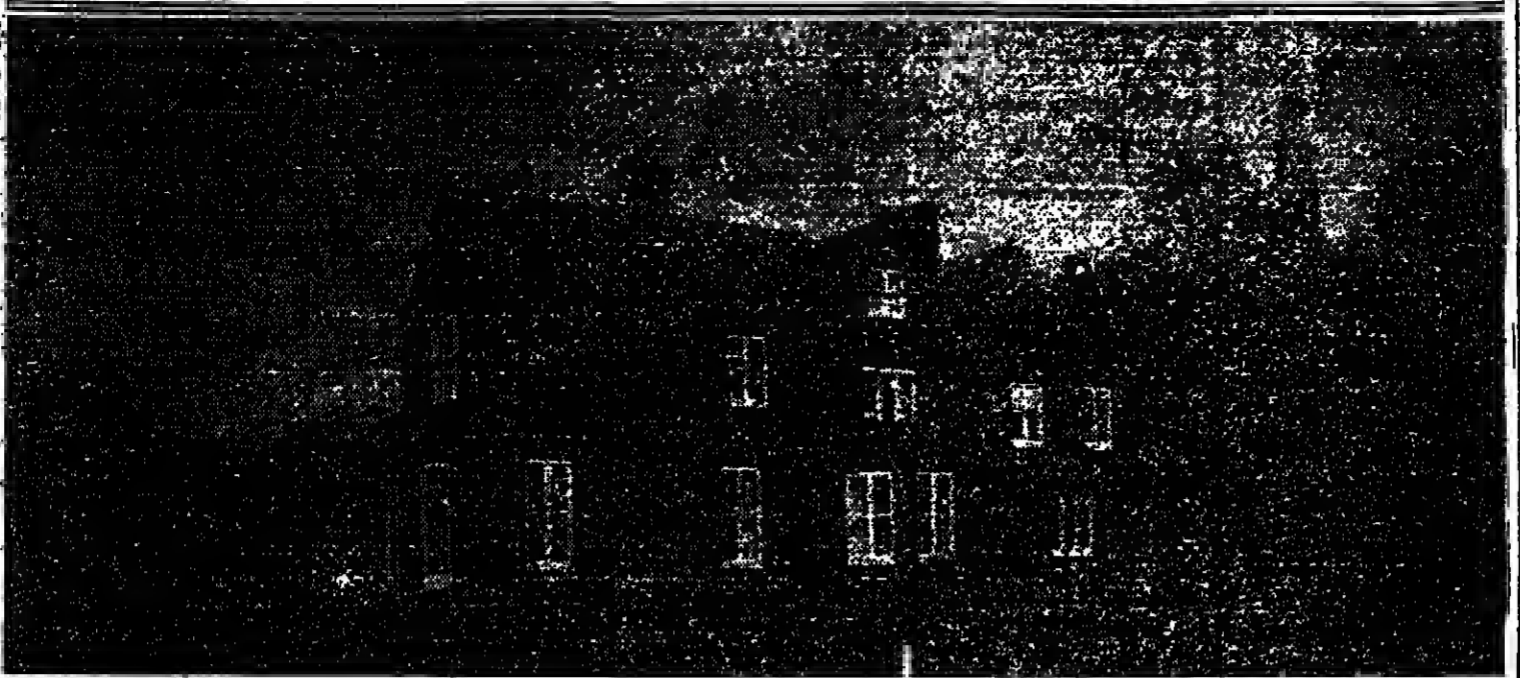
MAYFIELD VILLAGE
SUSSEX
Superior det. Edwardian residence set to approach 2 acres of landscaped grounds in the heart of a beautiful village, enjoying superb views over the Downs.

BLEDLow, Bucks.
Large detached plot in rural location for 200.

HAWKSWOOD GREEN,
CHARTERED SURVEYORS
10, BLYTHWOOD, THAME,
OXON, OX42EJ-6414.

Overseas Property
PALM BEACH - FLORIDA. The
exclusive - Exclusive estate in
Europe's premier location, 20
miles from London W1.

Residential property Baron Phillips



This old rectory at Wickham Bishops near Witham, Essex, dates from the seventeenth century. The house has three reception rooms, seven bedrooms and four bathrooms. Its 4 1/2 acres include a well laid-out garden with hard tennis court, outbuildings, large pond, paddock and two-bedroom cottage. Through Lane Fox & Partners, price guide £160,000.

The rectory you've always prayed for?

Falling church attendances and rising maintenance and heating costs have combined to produce a wealth of former vicarages coming on the market in recent years. And what splendid country homes they make, being mainly detached with up to six bedrooms and three or four reception rooms.

Hampton & Sons
A SMALL COUNTRY ESTATE - SEVENOAKS 4 MILES
Comprising a charming and unusual main residence, a cottage and a lodge, all set within 38 acres of gardens and woodland including a series of lakes.

FULMER, NEAR GERRARDS CROSS, SOUTH BUCKS
On a favourite and select private estate, a picturesque character residence of quality with detached guest/staff cottage.

NEAR RAMSEY
ONE OF THE ISLANDS MOST UNIQUE COUNTRY RESIDENCES WITH INTERNATIONALLY RENOWNED GARDENS TOGETHER WITH A FARM, COTTAGES AND THE HILL LANDMARK CRONK SUMARK.

NEAR WIMBORNE
AN EXCEPTIONALLY ATTRACTIVE SMALL PART OF A FINE LISTED HOUSE IN A DELIGHTFUL ENGLISH VILLAGE.

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Country Properties

Humberts

Wiltshire
Devises 6 miles, Salisbury 19 miles.
An elaborately restored manor house with fine galleried great hall

Wiltshire
Pewsey, Marlborough 6 miles (Paddington 1 hour)
A luxury cottage within a specialised retirement complex

Hertfordshire
Hatfield Park, Hatfield Station 1/4 mile (Kings Cross 20 minutes)
An attractive self-contained bungalow in Historic Hatfield Park.

INVERNESS-SHIRE - Spey Valley - "FAIRWINDS"
CARRERIDGE
Unique Residential and Business property for sale as a going concern in an ideal country setting of approx. 2 1/2 acres.

A COUNTRY HOUSE OF CHARACTER
Situated on south-facing slope of PITCH HILL. Comprising 6 bedrooms, master bedroom en-suite, 2nd bathroom, separate w.c., 4 reception rooms, 10 reception rooms, many of which have the finest views over the valley.

YORKSHIRE WOLDS
A First Class Agricultural Investment
comprising
7 Lettable Farms
Producing £65,690 p.a.
in all
2,150 ACRES

ISLE OF MAN
ONE OF THE ISLANDS MOST UNIQUE COUNTRY RESIDENCES WITH INTERNATIONALLY RENOWNED GARDENS TOGETHER WITH A FARM, COTTAGES AND THE HILL LANDMARK CRONK SUMARK.

HAMPSHIRE
AN EXCEPTIONALLY ATTRACTIVE SMALL PART OF A FINE LISTED HOUSE IN A DELIGHTFUL ENGLISH VILLAGE.

SUFFOLK, AT SNAPE
An agreeable and useful small detached house with 2 bedrooms, 2 bathrooms, 2 living rooms, 2 reception rooms, 2 porches, 2 garages, 2 sheds, 2 outbuildings, 2 paddocks, 20 acres of land, 12 miles from London.

DEVON, BRIGHAM
modern, compact, ideal holiday/retirement situated in local amenities. 10 minutes walk to sea and golf. Bargain - see offer.

NEAR WIMBORNE
AN EXCEPTIONALLY ATTRACTIVE SMALL PART OF A FINE LISTED HOUSE IN A DELIGHTFUL ENGLISH VILLAGE.

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DEATHS

TANCOCK - On April 17th, 1983... BIRTHS - On April 17th, at Owen... MARRIAGES - PRESCOTT - On 16th April, 1983...

DEATHS

TANCOCK - On April 17th, 1983... MARRIAGES - PRESCOTT - On 16th April, 1983...

HOLIDAYS AND VILLAS

GREEK ISLANDS OF POROS... DEPARTURES 29/4 or 6/5... SPECIAL OFFERS... HOLIDAYS AND VILLAS

PERSONAL COLUMNS

Also on page 26... MAY BARGAINS... TO THE GREEK ISLANDS OF POROS & CORFU FROM £139... UP, UP AND AWAY...

FOR SALE

BEATHFINDER... FURNISHED HOUSES URGENTLY REQUIRED... STANFORD ROAD, W8... HOLLAND PARK, W8...

RENTALS

KEITH CARDALE GROVES... GEORGE KNIGHT & PARTNERS... BRITTON POOLE & BURNS...

RENTALS

MARRIAGE ARCH... HOUSES TO LET... RIVER VIEW... SUNSHINE PARK...

RENTALS

FURNISHED HOUSES URGENTLY REQUIRED... MARRIAGE ARCH... HOUSES TO LET...

MEMORIAL SERVICES

GORDON J. FRY... There will be a memorial service for the late Gordon J. Fry...

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DEATHS

BAKER BAKER - On 18th April, 1983... BLACK HAWKINS - On April 17th, 1983... CAMPBELL WILSON - On 17th April, 1983...

DEATHS

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FOR SALE

FOR SALE... BRITISH AMERICAN TRAVEL... SWISS... MARKSON'S PIANOS...

FOR SALE

FOR SALE... CHESTERTONS... HOLLAND PARK, W8... CHESTERTONS...

FOR SALE

FOR SALE... CHESTERTONS... HOLLAND PARK, W8... CHESTERTONS...

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General Appointments

THE KUWAITI MINISTRY OF THE INTERIOR ANNOUNCES IT'S NEED FOR THE FOLLOWING:

- 1 One Engineer specializing in communication engineering with capacity to assume duty as chief responsible for the system. It is stipulated that he should be of high academic qualification together with a minimum experience of five years in Radio Systems Maintenance further to at least three years experience in fully supervising radio systems. 2 Two Communications Engineers with proficiency and experience that might qualify them to work as project engineers. It is stipulated that they should be of at least five years experience in this field. Salaries and other advantages are subject to qualifications and experience. Interested applicants are invited to apply within one month (maximum) as from the date of this advertisement. Applications are to be addressed to the Kuwaiti Embassy as follows: Press Attache, Kuwait Embassy, 46 Queens Gate, London, SW7.

Note: Applicants are requested to attach the following documents and information to the applications: i) Personal photograph. ii) Photocopy of the academic qualifications and experience. iii) Marital Status. iv) Age. v) Full address including phone number.

It is also to be noted that all enclosures attached to applications shall not be returned, nor is the Ministry bound to reply to all applicants.

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